



COLORADO

Energy & Carbon Management Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/ecmc

WARNING LETTER # 403734486

04/02/2024

CHEMCO INC (# 16520)
GRAY H NEHER
gh.neher@chemco-og.com

6970 SOUTH HOLLY CIR STE 206
CENTENNIAL, CO 80112

NE4/SW, 2, 19S, 45W, KIOWA

This Warning Letter is to inform you that CHEMCO INC (“Operator”) may be in violation of the rules and regulations of the Colorado Energy and Carbon Management Commission (“ECMC”) and corrective action is required.

ECMC has reasonable cause to believe that Operator has committed one or more violations of the Oil and Gas Conservation Act, or of a rule, regulation, or order of the Commission, or of a permit issued by the Commission. Operator is required to comply with this Warning Letter by the **Corrective Action Deadline Date(s)** to resolve the alleged violation(s). Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which ECMC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 525, ECMC Rules of Practice and Procedure, 2 CCR 404-1.

Alleged Violation(s) and Required Corrective Action(s):

912.b. Reporting Spills or Releases of E&P Waste, Gas, or Produced Fluids

Violation Date: 01/08/2024

Violation Discovery Date: 01/08/2024

Description of Alleged Violation: Pursuant to Rule 912.b.(6), no later than 90 days after a Spill or Release is discovered, Chemco (“Operator”) will have submitted, and obtained the Director’s approval of either: A. A Form 19 – Supplemental requesting closure pursuant to Rule 913.h and supported by adequate documentation to demonstrate that the Spill or Release has been fully cleaned up and complies with Table 915-1; or B. A Form 27 if any of the criteria listed in Rules 912.b.(6).B.i–iii apply. If Remediation will continue under an approved Form 27, the Operator will also submit a Form 19 – Supplemental which requests closure of the Spill or Release and includes the Remediation project number assigned by the Director.

On October 11, 2023, Operator submitted Form 19 Initial Spill/Release Reports for Spill ID 485257. In the Form 19, Operator reported the Spill date of discovery as October 10, 2023.

As of March 28, 2024, no Form 19 Supplemental Spill/Release Report demonstrating closure has been submitted and approved for Spill ID 485257.

Operator failed to submit a Form 19 - Supplemental Spill/Release Report demonstrating closure no later than 90 days after the discovery of a Spill or Release, violating Rule 912.b.(6).



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Required Corrective Action: Operator shall submit a Form 19 Supplemental Spill/Release Report demonstrating closure of Spill ID 485257.

Any questions regarding spill remediation should be directed to the area EPS

Corrective Action Deadline Date: 04/11/2024

912.b. Reporting Spills or Releases of E&P Waste, Gas, or Produced Fluids

Violation Date: 10/20/2023

Violation Discovery Date: 10/20/2023

Description of Alleged Violation: Pursuant to Rule 912.b.(4), Chemco (“Operator”) will file a Form 19 – Supplemental not more than 10 days after the Spill or Release is discovered.

On October 11, 2023, Operator submitted Form 19 Initial Spill/Release Reports for Spill ID 485257. In the Form 19, Operator reported the Spill date of discovery as October 10, 2023.

As of March 28, 2024, no Form 19 Supplemental Spill/Release Report has been submitted and approved for Spill ID 485257.

Operator failed to submit a Form 19 – Supplemental within 10 days after the discovery of a Spill or Release, violating Rule 912.b.(4).

Required Corrective Action: Operator shall submit a Form 19 Supplemental Spill/Release Report demonstrating closure of Spill ID 485257.

Any questions regarding spill remediation should be directed to the area EPS

Corrective Action Deadline Date: 04/11/2024

How to Comply with Warning Letter:

Operator shall complete the Required Corrective Action(s) above within the deadline(s) provided. Upon completion of the Corrective Action(s), Operator shall provide notice and evidence of completion to the ECMC staff identified below by the Corrective Action Deadline Date(s):

COGCC Representative: Kari Brown
Email: kari.oakman@state.co.us

Title: NE Environmental Protection
Phone Num: (720) 355-3135x

If you have any questions about this Warning Letter, please contact the ECMC Representative identified above.

Failure to Comply with Warning Letter:

If Operator fails to perform Required Corrective Action(s) on or before the Corrective Action Deadline Date(s) stated above ECMC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 525, ECMC Rules of Practice and Procedure, 2 CCR 404-1.

Disclaimers:

If the alleged violation(s) in this Warning Letter are the subject of previously issued Notice(s) of Alleged Violation ("NOAV") or Enforcement Order(s) ("Order"), Operator's obligations and the corrective actions and deadlines in



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such NOAV or Order stand and are not affected by this Warning Letter.

If issued in error, the Enforcement Unit reserves the right to rescind this Warning Letter prior to the ECMC Representative's receipt of Operator's notice and evidence of completion of the Corrective Action.

All well data, rules and forms are available on our website at www.colorado.gov/cogcc.

Sincerely,

Kari Brown
NE Environmental Protecti

Attachments

View Attachments in Imaged Documents on ECMC website <http://ogcweblink.state.co.us/> Search by Document Number.

<u>Document Number</u>	<u>Description</u>

Total Attach: 0 Files