

State of Colorado  
Energy & Carbon Management Commission

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## NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 523, the Director has reasonable cause to believe that a violation of the Act, or of any Commission rule, order, or permit has occurred, the Director will require the operator to remedy the violation and may commence an enforcement action seeking penalties by issuing a Notice of Alleged Violation (NOAV). Per Rule 525, an operator who violates the Act, or a Commission rule, order, or permit may be subject to a penalty imposed by Commission order.

### OPERATOR INFORMATION

ECMC Operator Number: <u>83130</u>	Contact Name and Telephone:
Name of Operator: <u>STRACHAN EXPLORATION INC</u>	Name: <u>JASON HARMS</u>
Address: <u>992 S 4TH AVE SUITE 100-461</u>	Phone: <u>(303) 790-9115</u> Fax: <u>( )</u>
City: <u>BRIGHTON</u> State: <u>CO</u> Zip: <u>80601</u>	Email: <u>jason@strachanexploration.com</u>

### Well Location, or Facility Information (if applicable):

API Number: 05-061-06365-00 Facility or Location ID: \_\_\_\_\_  
Name: FRAZEE Number: 2-6  
QtrQtr: NWNW Sec: 6 Twp: 19S Range: 50W Meridian: 6  
County: KIOWA

### ALLEGED VIOLATION

Rule: 210.  
Rule Description: Corrective Action  
Initial Discovery Date: 02/27/2024 Was this violation self-reported by the operator? No  
Date of Violation: 02/27/2024 Approximate Time of Violation: \_\_\_\_\_  
Was this a discrete violation of obvious duration? Unknown

#### Description of Alleged Violation:

Pursuant to Rule 210.a, the Director will require correction of any condition necessary to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources, or any condition that the Director has reasonable cause to believe is in violation of the Rules. The Director may exercise its discretion to set forth the manner in which the condition is to be remedied.

ECMC Staff conducted an inspection on November 29, 2023 (document no. 713600432), of Strachan Exploration, Inc.'s ("Operator") Frazee #2-6 (API# 05-061-06365, "Location"), and observed impacted soils at the tank battery and oil stains on the tank due to a spill. Staff also observed disturbed surface soils that were spread over a large area around the tank battery; stained soils beneath the disturbed surface soils; and newly installed, loosely compacted, secondary containment around the tank battery. Staff notified Operator of the spill the day of the inspection, November 29, 2023.

ECMC Staff conducted a follow-up inspection on February 27, 2024 (document no. 713600781), and observed that corrective actions to clean impacts from the spill were inadequate. Specifically, Staff observed newly reconstructed berms that were constructed with impacted soils from the spill and emitting a hydrocarbon odor, and animal burroughs throughout the containment.

Operator failed to correct a condition necessary to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources, and repair or install berms or other secondary containment devices on the Location, violating Rule 210.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/29/2024

**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

Operator will design, construct, and maintain secondary containment devices around the tank battery to meet or exceed the following requirements:

1. Operator will design secondary containment structures to be sufficiently sized to contain at least 150% of the volume of the largest single Tank within the containment.
2. Operators will construct secondary containment of steel, or other engineered material, designed and installed to prevent leakage and resist degradation from erosion or routine operation.
3. To prevent leakage, Operators will line secondary containment areas with an impervious synthetic or engineered liner that underlays all primary containment vessels including partially buried vessels. The liner will be sufficiently impervious so that any discharge from a primary containment system will not escape containment before cleanup occurs. The liner will be attached to secondary containment and any equipment penetrating the liner will have a sealed connection.
4. Secondary containment will prevent Spills or Releases from primary containment vessels, process vessels, or pipelines from migrating horizontally or vertically prior to clean-up.

Rule: 605.d.

Rule Description: Well Signage Requirements

Initial Discovery Date: 11/29/2023

Was this violation self-reported by the operator? No

Date of Violation: 11/29/2023

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 605.d., Strachan Exploration, Inc. ("Operator") will ensure the permanent sign at the wellhead identifies the Well name, API number, and legal location, including the quarter/quarter section.

ECMC Staff conducted an inspection on November 29, 2023 (document no. 713600432), of the Frazee #2-6 (API# 05-061-06365, "Location"), and observed that the API number on the well sign was missing and information on the well sign was faded and no longer legible. Staff required Operator to install a sign to comply with the requirements of Rule 605.d.

ECMC Staff conducted a follow-up inspection on February 27, 2024 (document no. 713600781), and observed that the corrective actions to install a sign to comply with the requirements of Rule 605.d. were not completed.

Operator failed to ensure that signage at the wellhead was well maintained and legible, and replace the sign that is no longer legible within 30 days of discovery, violating Rule 605.g.(2).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/29/2024

**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

Operator will install a sign at the wellhead that meets the requirements of Rule 605.d.

Rule: 605.g.

Rule Description: General Sign Requirements

Initial Discovery Date: 11/29/2023

Was this violation self-reported by the operator? No

Date of Violation: 11/29/2023

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 605.g.(2), Strachan Exploration, Inc. ("Operator") will ensure that signs are well maintained and legible, and will replace damaged or vandalized signs within 30 days of discovery that the sign is no longer legible or is damaged.

ECMC Staff conducted an inspection on November 29, 2023 (document no. 713600432), of the Frazee #2-6 (API# 05-061-06365, "Location"), and observed that information on the well sign was faded and no longer legible, and did not meet Rule 605.d signage requirements. Staff required Operator to install a sign to comply with the requirements of Rule 605.d.

ECMC Staff conducted a follow-up inspection on February 27, 2024 (document no. 713600781), and observed that the corrective actions to install a sign to comply with the requirements of Rule 605.d. were not completed.

Operator failed to ensure that signage at the wellhead was well maintained and legible, and replace the sign that is no longer legible within 30 days of discovery, violating Rule 605.g.(2).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/29/2024

**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

Operator will install a sign at the wellhead that meets the requirements of Rule 605.d.

Rule: 905.a.

Rule Description: General Requirements for Management of E&P Waste

Initial Discovery Date: 11/29/2023 Was this violation self-reported by the operator? No

Date of Violation: 11/29/2023 Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 905.a.(1), Strachan Exploration, Inc. ("Operator") will ensure that E&P Waste is properly stored, handled, transported, treated, recycled, or disposed to prevent threatened or actual adverse environmental impacts to air, water, soil, or biological resources, or to the extent necessary to ensure compliance with the concentration levels in Table 915-1, radiation control standards, and WQCC Regulation 41 numeric and narrative Groundwater quality standards and classifications, as incorporated by reference in Rule 901.b.

ECMC Staff conducted an inspection on November 29, 2023 (document no. 713600432), of the Frazee #2-6 (API# 05-061-06365, "Location"), and observed impacted soils at the tank battery and oil stains on the tank due to a spill. Staff also observed disturbed surface soils that were spread over a large area around the tank battery; stained soils beneath the disturbed surface soils; and newly installed, loosely compacted, secondary containment around the tank battery. Staff notified Operator of the spill the day of the inspection, November 29, 2023. Staff required corrective actions for Operator to immediately comply with the requirements of Rule 912 for a Spill or Release.

ECMC Staff conducted a follow-up inspection on February 27, 2024 (document no. 713600781), and observed that corrective actions to investigate, clean up, and document impacts resulting from the spill were inadequate. Specifically, Staff observed newly reconstructed berms that were constructed with impacted soils from the spill and emitting a hydrocarbon odor; visibly impacted soils freshly spread from the tank battery to the access road; and Operator has not submitted a Form 19- Spill/Release Report.

Operator failed to ensure that E&P Waste was properly stored, handled, transported, treated, recycled, or disposed to prevent threatened or actual adverse environmental impacts to air, water, soil, or biological resources, violating 905.a.(1).

Abatement or Corrective Action Required to be Performed by Operator: Corrective Action Due Date: 05/29/2024

**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

Operator will contact the ECMC Southeast Environmental Protection Specialist and submit a Form 19 Spill/Release Report, to report a current or historic spill/release on the Location.

Operator will control and contain spills/releases, and clean or remove impacts on the Location per Rule 912.a. to Table 915-1 cleanup concentrations. Operator will submit, attached to a Form 19: documentation of cleanup, demonstration of compliance with Table 915-1, and documentation of proper disposal, including waste manifests.

Rule: 912.a.

Rule Description: Spills and Releases - General

Initial Discovery Date: 11/29/2023 Was this violation self-reported by the operator? No

Date of Violation: 11/29/2023 Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 912.a.(2), Strachan Exploration, Inc. ("Operator") will investigate, clean up, and document impacts resulting from Spills and Releases as soon as the impacts are discovered.

ECMC Staff conducted an inspection on November 29, 2023 (document no. 713600432), of the Frazee #2-6 (API# 05-061-06365, "Location"), and observed impacted soils at the tank battery and oil stains on the tank due to a spill. Staff also observed disturbed surface soils that were spread over a large area around the tank battery; stained soils beneath the disturbed surface soils; and newly installed, loosely compacted, secondary containment around the tank battery. Staff notified Operator of the spill the day of the inspection, November 29, 2023. Staff required corrective actions for Operator to immediately comply with the requirements of Rule 912 for a Spill or Release.

ECMC Staff conducted a follow-up inspection on February 27, 2024 (document no. 713600781), and observed that corrective actions to investigate, clean up, and document impacts resulting from the spill were inadequate. Specifically, Staff observed newly reconstructed berms that were constructed with impacted soils from the spill and emitting a hydrocarbon odor; visibly impacted soils freshly spread from the tank battery to the access road; and Operator has not submitted a Form 19- Spill/Release Report.

As of May 22, 2024, Operator has not submitted a Form 19, Spill/Release Report.

Operator failed to investigate, clean up, and document impacts resulting from Spills and Releases as soon as the impacts are discovered, violating Rule 912.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/29/2024

**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

Operator will contact the ECMC Southeast Environmental Protection Specialist and submit a Form 19 Spill/Release Report, to report a current or historic spill/release on the Location.

Operator will control and contain spills/releases, and clean or remove impacts on the Location per Rule 912.a to Table 915-1 cleanup concentrations. Submit, attached to a Form 19, documentation of cleanup, and demonstration of compliance with Table 915-1; documentation, including information such as waste manifests to document proper disposal.

Rule: 912.b.

Rule Description: Reporting Spills or Releases of E&P Waste, Gas, or Produced Fluids

Initial Discovery Date: 11/29/2023

Was this violation self-reported by the operator? No

Date of Violation: 11/29/2023

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 912.b.(1), Strachan Exploration, Inc. ("Operator") will submit an initial report ("24 Hour Notification") of a Spill or Release of E&P Waste, natural gas, or produced Fluids that meet any of the following criteria to the Director verbally, via electronic mail, or on a Form 19, Spill/Release Report – Initial within 24 hours of discovery, unless otherwise specified below. A. A Spill or Release of any size that impacts or threatens to impact any Waters of the State, Public Water System, residence or occupied structure, livestock, wildlife, or publicly maintained road; B. A Spill or Release in which 1 Barrel or more of E&P Waste or produced Fluids is spilled or released outside of berms or other secondary containment; C. A Spill or Release of 5 Barrels or more of E&P Waste or Produced Fluids regardless of whether the Spill or Release is completely contained within berms or other secondary containment; E. The discovery of 10 cubic yards or more of impacted material resulting from a current or historic Spill or Release. Discovery and reporting will not be contingent upon confirmation samples demonstrating exceedance of Table 915-1 standards; G. A suspected or actual Spill or Release of any volume where the volume cannot be immediately determined, including a Spill or Release of any volume that daylight from the subsurface. Pursuant to Rule 912.b.(3), if Operator did not submit the 24 Hour Notification through a Form 19 – Initial, Operator will submit a Form 19 – Initial no less than 72 hours after discovery of the Spill or Release unless the Director extends the timeframe in writing.

ECMC Staff conducted an inspection on November 29, 2023 (document no. 713600432), of the Frazee #2-6 (API# 05-061-06365, "Location"), and observed impacted soils at the tank battery and oil stains on the tank due to a spill. Staff also observed disturbed surface soils that were spread over a large area around the tank battery; stained soils beneath the disturbed surface soils; and newly installed, loosely compacted, secondary containment around the tank battery. Staff notified Operator of the spill the day of the inspection, November 29, 2023. Staff required corrective actions for Operator to immediately comply with the requirements of Rule 912 for a Spill or Release.

ECMC Staff conducted a follow-up inspection on February 27, 2024 (document no. 713600781), and observed that corrective actions to investigate, clean up, and document impacts resulting from the spill were inadequate. Specifically, Staff observed newly reconstructed berms that were constructed with impacted soils from the spill and emitting a hydrocarbon odor; visibly impacted soils freshly spread from the tank battery to the access road; and Operator has not submitted a Form 19- Spill/Release Report.

As of May 22, 2024, Operator has not submitted a Form 19, Spill/Release Report.

Operator failed to submit a Form 19, Spill/Release Report after the discovery of a reportable spill or release, violating Rule 912.b(1) & (3).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/29/2024

**Proper and timely abatement does not preclude the assessment of penalties and an Order Finding Violation.**

Operator will contact the ECMC Southeast Environmental Protection Specialist and submit a Form 19 Spill/Release Report, to report a current or historic spill/release on the Location.

Operator will control and contain spills/releases, and clean or remove impacts on the Location per Rule 912.a to Table 915-1 cleanup concentrations. Submit, attached to a Form 19, documentation of cleanup, and demonstration of compliance with Table 915-1; documentation, including information such as waste manifests to document proper disposal.

## PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 525, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

## ANSWER

Pursuant to Rule 523.c.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgment may be entered. Answers are filed by email to [dnr\\_ecmc\\_enforcement@state.co.us](mailto:dnr_ecmc_enforcement@state.co.us).

## NOAV ISSUED

NOAV Issue Date: 05/29/2024

ECMC Representative Signature: \_\_\_\_\_



ECMC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (720) 765-0031

## ATTACHMENT LIST

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

<u>Document Number</u>	<u>Description</u>
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403807009	NOAV CERTIFIED MAIL RECEIPT
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Total Attach: 1 Files