

State of Colorado
Energy & Carbon Management Commission

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Date Issued:
10/22/2019
Date Resolved:

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 522, 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 523, 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: 10311

Name of Operator: SRC ENERGY INC

Address: 1675 BROADWAY SUITE 2600

City: DENVER State: CO Zip: 80202

Contact Name and Telephone:

Name: ERIN EKBLAD

Phone: (720) 616-4319 Fax: ()

Email: eekblad@srcenergy.com

Well Location, or Facility Information (if applicable):

API Number: 05- -00

Facility or Location ID: 433548

Name: Phelps

Number: 12-32NHZ

QtrQtr: SENE Sec: 32

Twp: 1N Range: 66W

Meridian: 6

County: WELD

ALLEGED VIOLATION

Rule: 303.b.

Rule Description: Form 2A, Oil and Gas Location Assessment

Initial Discovery Date:

Was this violation self-reported by the operator? Yes

Date of Violation:

Approximate Time of Violation:

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 303.b.(1)A., unless exempted under Rule 303.b.(2), Operator shall complete and obtain COGCC approval of an Oil and Gas Location Assessment, for any surface disturbance for an oil and gas location at a previously undisturbed site.

On July 13, 2013, Operator received COGCC approval for a surface disturbance based on the information Operator provided in its Oil and Gas Location Assessment (Document No. 400423324, "Form 2A"), for the Phelps 12-32NHZ (ID No. 433548, "Location").

On June 6, 2019, Operator voluntarily reported to COGCC that its construction of the Location included a noncontiguous surface disturbance. Upon review, COGCC Staff determined that this noncontiguous surface disturbance is a distinct oil and gas location, constructed at a previously undisturbed site ("New Disturbance"). COGCC Staff further determined that the New Disturbance is not covered by the Form 2A No. 400423324 approval, and must be permitted under a separate Form 2A.

Operator disturbed the surface at a previously undisturbed site to construct a new oil and gas location without a completed, approved Form 2A, violating Rule 303.b.(1)A.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 11/21/2019

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

Operator shall submit to COGCC for approval a complete Form 2A for the New Disturbance, and shall not continue construction or any further surface disturbance, in any area, without an approved Form 2A for such disturbance.

Operator shall submit a compliance plan that documents and provides processes to ensure approved Form 2A will be obtained prior to any construction of a previously undisturbed area.

Rule: 34-60-121(1) CRS-b

Rule Description: Statutory Violation - Permit Violation

Initial Discovery Date: _____

Was this violation self-reported by the operator? Yes

Date of Violation: _____

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

On July 13, 2013, Operator received COGCC approval for a surface disturbance based on the information Operator provided in its Oil and Gas Location Assessment (Document No. 400423324, "Form 2A"), for the for the Phelps 12-32NHZ (ID No. 433548, "Location").

On June 6, 2019, Operator voluntarily reported to COGCC that the built Location exceeded the area allowed in its Form 2A.

Operator constructed a surface disturbance that exceeded the permitted surface disturbance area, violating Operator's Form 2A and §34-60-121(1)(a), C.R.S.

Abatement or Corrective Action Required to be Performed by Operator: _____

Corrective Action Due Date: 11/21/2019

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

Operator shall amend its Form 2A for the Location to include complete and accurate information about the disturbed area. Operator shall not construct any further surface disturbance at the Location without Form 2A approval for such disturbance.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgement may be entered. Hard copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_ecmc_enforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 10/22/2019

ECMC Representative Signature: _____

ECMC Representative: Kira Gillette

Title: NOAV Specialist

Email: kira.gillette@state.co.us

Phone Num: (303) EMAIL

CORRECTIVE ACTION COMPLETED

Rule: 303.b.

Rule Description: Form 2A, Oil and Gas Location Assessment

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

Dismissed by the Enforcement Unit after compliance was successfully achieved and based on the Commission's recent interpretation of the Oil and Gas Conservation Act's statute of limitations in Order No. 1V-772.

Rule: 34-60-121(1)
CRS-b

Rule Description: Statutory Violation - Permit Violation

Corrective Action Start Date: _____ Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? Yes

Description of Actual Corrective Action Performed by Operator

Dismissed by the Enforcement Unit after compliance was successfully achieved and based on the Commission's recent interpretation of the Oil and Gas Conservation Act's statute of limitations in Order No. 1V-772.

FINAL RESOLUTION

Cause #: _____ Order #: _____ Docket #: _____

Enforcement Action: Dismissed by Issuing Unit Final Resolution Date: 08/14/2024

Final Resolution Comments:

Dismissed by the Enforcement Unit after compliance was successfully achieved and based on the Commission's recent interpretation of the Oil and Gas Conservation Act's statute of limitations in Order No. 1V-772.

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>
402216794	NOAV COVER LETTER
402216817	NOAV CERTIFIED MAIL RECEIPT
402216889	NOAV ISSUED
402216909	NOAV IN PROCESS

Total Attach: 4 Files