

State of Colorado
Energy & Carbon Management Commission

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Document Number:
404464447
Date Issued:
12/08/2025
Date Resolved:

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

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| ECMC Operator Number: <u>77900</u> | Contact Name and Telephone: |
| Name of Operator: <u>SHAWNEE OIL DEVELOPMENT CO INC</u> | Name: <u>JAMES HAWKINS</u> |
| Address: <u>P O BOX 300</u> | Phone: <u>(406) 873-5277</u> Fax: <u>()</u> |
| City: <u>KEVIN</u> State: <u>MT</u> Zip: <u>59454</u> | Email: <u>jhawkins@bresnan.net</u> |

Well Location, or Facility Information (if applicable):

API Number: 05-107-06019-00 Facility or Location ID: _____
Name: DILL GULCH Number: 1-17
QtrQtr: NESW Sec: 17 Twp: 5N Range: 89W Meridian: 6
County: ROUTT

ALLEGED VIOLATION

Rule: 902.
Rule Description: Pollution
Initial Discovery Date: 08/28/2024 Was this violation self-reported by the operator? No
Date of Violation: 08/28/2024 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.a., Shawnee Oil Development Co, Inc. ("Operator") will prevent Pollution. Pursuant to Rule 902.b., Operator will prevent adverse environmental impacts on any air, water, soil, or biological resource resulting from Oil and Gas Operations and will protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources. Pursuant to Rule 902.c., Operator will prevent the unauthorized discharge or disposal of oil, condensate, gas, E&P Waste, Chemical substances, trash, discarded equipment, and other oil field waste.

ECMC Staff inspected Operator's Dill Gulch 1-17 well (API No. 05-10706019, "Well") on September 8, 2021 (document no. 689806336) and observed an unused large white storage tank in an earthen pit containing stained soils. Staff also observed stained soils around the bottom of each tank in the tank battery (Facility ID: 316744), around the wellhead, and around the pumpjack.

ECMC Staff conducted follow-up inspections on August 28, 2024 (document no. 694500715) and observed an active leak from a hole in the side of the red/most southern tank in Operator's tank battery (Facility ID: 316744). The hole in the tank was spraying liquids into the unlined earthen pit where the unused large white storage tank remained. Staff estimated the size of the earthen pit's length and width to be approximately 40 feet by 40 feet. Staff observed stained soils around the perimeter of the pit and stained soils around the bottom of each tank in the tank battery, around the wellhead, and around the pumpjack. ECMC Staff contacted the pumper regarding the spill on August 28, 2024, and the pumper arrived around noon that same day. The pumper notified ECMC that a vacuum truck was not available until the next day, August 29, 2024.

ECMC Staff conducted follow-up inspections on September 5, 2024 (document no. 694500717) and July 15, 2025 (document no.

694500783), as part of Remediation Project #37159, and observed the red/most southern tank with the leak documented on August 28, 2024, remained on location and did not appear to have been repaired. Staff also observed stained soils around the perimeter of the pit and stained soils around the bottom of each tank in the tank battery, around the wellhead, and around the pumpjack remained since previous inspections. Additionally, Staff observed wildlife tracks going through the impacted earthen pit.

Operator failed to prevent adverse environmental impacts on air, water, soil, or biological resources resulting from Oil and Gas Operations and failed to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources, and failed to prevent the unauthorized discharge of oil, condensate, gas, and E&P waste, violating Rule 902.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 12/08/2025

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

Operator will comply with all conditions of approval and corrective actions for Remediation Project #37159.

Rule: 913.

Rule Description: Site Investigation, Remediation, and Closure

Initial Discovery Date: 11/25/2025 Was this violation self-reported by the operator? No

Date of Violation: 04/17/2025 Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 913.e., after initial approval of a Form 27, Shawnee Oil Development Co, Inc. ("Operator") will provide quarterly update reports in a Supplemental Form 27 to document progress of site investigation and Remediation, unless an alternative reporting schedule has been requested by Operator and approved by the Director. The Director may request a more frequent reporting schedule based on site-specific conditions.

Operator submitted an Initial Form 27, Site Investigation and Remediation Workplan on October 2, 2024 (document no. 403925600), for Remediation Project # 37159.

Operator submitted a Supplemental Form 27 on October 28, 2024 (document no. 403970929), for Remediation Project # 37159.

Operator submitted a second Supplemental Form 27 on January 16, 2025 (document no. 404052096), for Remediation Project # 37159.

As of November 25, 2025, Operator has not submitted any Supplemental Form 27s to document progress of site investigation and Remediation since January 16, 2025, violating Rule 913.e.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 12/08/2025

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

Operator will submit Supplemental Form 27 quarterly update reports to document site investigation and remediation progress for April 2025, August 2025, and provide a current Supplemental Form 27 to document the current progress of site investigation and Remediation.

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.

NOAV ISSUED

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| NOAV Issue Date: <u>12/08/2025</u> |
| ECMC Representative Signature: _____ |
| ECMC Representative: <u>Trent Lindley</u> Title: <u>NOAV Specialist</u> |
| Email: <u>trent.lindley@state.co.us</u> Phone Num: <u>(720) 765-0031</u> |

CORRECTIVE ACTION COMPLETED

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|---|
| Rule: <u>902.</u> |
| Rule Description: <u>Pollution</u> |
| Corrective Action Start Date: _____ Corrective Action Complete Date: _____ |
| Has corrective action for this violation been performed as required? _____ |
| Description of Actual Corrective Action Performed by Operator <input type="text"/> |

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| Rule: <u>913.</u> |
| Rule Description: <u>Site Investigation, Remediation, and Closure</u> |
| Corrective Action Start Date: _____ Corrective Action Complete Date: _____ |
| Has corrective action for this violation been performed as required? _____ |
| Description of Actual Corrective Action Performed by Operator <input type="text"/> |

FINAL RESOLUTION

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| Cause #: _____ Order #: _____ Docket #: _____ |
| Enforcement Action: _____ Final Resolution Date: _____ |
| Final Resolution Comments: <input type="text"/> |

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> |
|------------------------|-----------------------------|
| 404464452 | NOAV CERTIFIED MAIL RECEIPT |
| 404464479 | NOAV ISSUED |

Total Attach: 2 Files