

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>46290</u>	Contact Name and Telephone:
Name of Operator: <u>KP KAUFFMAN COMPANY INC</u>	Name: <u>ROSS WATZMAN</u>
Address: <u>1700 LINCOLN ST STE 4550</u>	Phone: <u>(720) 868-9848</u> Fax: <u>( )</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80203</u>	Email: <u>rwatzman@kpk.com</u>

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

API Number: 05- - -00 Facility or Location ID: 487984  
Name: Dechant State 3 Flowline Number: \_\_\_\_\_  
QtrQtr: SWSW Sec: 16 Twp: 2N Range: 67W Meridian: 6  
County: WELD

### ALLEGED VIOLATION

Rule: 606  
Rule Description: Equipment, Weeds, Waste, and Trash Requirements  
Initial Discovery Date: 10/10/2024 Was this violation self-reported by the operator? No  
Date of Violation: 10/10/2024 Approximate Time of Violation: \_\_\_\_\_  
Was this a discrete violation of obvious duration? Unknown

#### Description of Alleged Violation:

Pursuant to Rule 606.c., KP Kauffman Company, Inc. ("Operator") will keep all Oil and Gas Locations free of all Undesirable Plant Species.

On September 24, 2024, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403930265) for a spill (Spill/Release Point ID: 487984, "Spill") of an unknown amount of produced water and oil from the Dechant State 3 Flowline.

On October 10, 2024, ECMC Staff inspected (document no. 710100288) the Spill and observed and documented undesirable vegetation observed in and around wellheads and tank battery.

On May 27, 2025, ECMC Staff inspected (document no. 718300022) the Spill and observed and documented Undesirable Plant Species present at the Spill location and remediation area.

On August 27, 2025, ECMC Staff inspected (document no. 714300243) the Spill and observed and documented that Undesirable Plant Species remained throughout the Spill location and remediation area, including within and outside of the excavation and on soil stockpiles.

Operator failed to keep the remediation area free of Undesirable Plant Species, violating Rule 606.c.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/26/2026

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

Operator will remove and properly dispose of weed debris from the Location.

Rule: 902.

Rule Description: Pollution

Initial Discovery Date: 09/20/2024

Was this violation self-reported by the operator? No

Date of Violation: 09/20/2024

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.a., KP Kauffman Company, 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.

On September 20, 2024, ECMC Staff performed an inspection (document no. 710100264) in response to an email notification sent from Operator on the same day (document no. 710100290) for a spill (Spill/Release Point ID: 487984, "Spill") from the Dechant State 3 Flowline (Flowline Facility ID: 475722, "Flowline"). Staff observed and documented that excavation had begun at the toe of the Spill with impacts remaining in-situ in the source area. Staff also observed and documented that the excavation appeared to have been partially backfilled with previously excavated impacted soil. Additionally, Staff noted that the Spill was visible in historic aerial imagery (document nos. 710100265, 710100266 & 710100267), going as far back as November 2022. Using the historic aerial imagery, Staff measured the spill area to be approximately 100 feet wide by 300 feet long.

On September 24, 2024, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403930265) for the Spill initially reported via email. The Form 19 documented the spill of an unknown amount of produced water and oil from the Dechant State 3 Flowline. Operator reported the date of spill discovery as September 20, 2024.

On September 30, 2024, Operator submitted a Supplemental Form 19, Spill/Release Report (document no. 403935672) reporting soil had been impacted by the Spill.

On October 10, 2024 and October 15, 2024, ECMC Staff inspected (document no. 710100288) the Spill and observed and documented hydrocarbon impacted soil remaining in-situ within the open excavation and Spill footprint.

On March 26, 2025, ECMC Staff inspected (document no. 717100143) the Spill and observed and documented hydrocarbon stained soil visible in the center of the excavation floor.

On April 2, 2025, Operator submitted a Supplemental Form 19, Spill/Release Report (document no. 404131707) reporting that a surface area of 302 feet by 85 feet had been impacted by the spill, with the full horizontal and vertical extent of impacts not yet delineated, and that 581 cubic yards of impacted material had been excavated to date.

On May 27, 2025, ECMC Staff inspected (document no. 718300022) the Spill and observed and documented hydrocarbon impacted soil remaining visible in the center of the excavation floor.

Operator failed to prevent pollution and 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 prevent the unauthorized discharge of oil, violating Rule 902.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/26/2026

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

Operator will immediately resume active remediation of the impacts from Spill ID 487984. Operator will submit a Form 27 Supplemental Site investigation and Remediation Workplan for Remediation Project No 39579 with all outstanding documentation and a workplan and timeline for remediating impacts resulting from Spill ID 487984.

Rule: 912.a.

Rule Description: Spills and Releases - General

Initial Discovery Date: 09/20/2024

Was this violation self-reported by the operator? No

Date of Violation: 09/20/2024

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

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

On September 20, 2024, ECMC Staff performed an inspection (document no. 710100264) in response to an email notification sent from Operator on the same day (document no. 710100290) for a spill (Spill/Release Point ID: 487984, "Spill") from the Dechant State 3 Flowline (Flowline Facility ID: 475722, "Flowline"). Staff observed and documented that excavation had begun at the toe of the Spill with impacts remaining in-situ in the source area.

On September 24, 2024, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403930265) for the Spill initially reported via email. The Form 19 documented the spill of an unknown amount of produced water and oil from the Dechant State 3 Flowline. Operator reported the date of spill discovery as September 20, 2024.

On September 30, 2024, Operator submitted a Supplemental Form 19, Spill/Release Report (document no. 403935672) reporting soil had been impacted by the Spill and the vertical and horizontal extent of impacts had not been delineated.

On October 10, 2024 and October 15, 2024, ECMC Staff inspected (document no. 710100288) the Spill and observed and documented hydrocarbon impacted soil remaining in-situ within the open excavation and Spill footprint.

On March 14, 2025, Operator submitted an Initial, Form 27, Site Investigation and Remediation Workplan (document no. 404116584; Remediation Project No. 39579) for the remediation of the Spill. In this Form 27, Operator reported that additional excavation was required.

On March 26, 2025, ECMC Staff inspected (document no. 717100143) the Spill and observed and documented hydrocarbon stained soil visible in the center of the excavation floor.

On April 2, 2025, Operator submitted a Supplemental Form 19, Spill/Release Report (document no. 404131707) reporting that a surface area of 302 feet by 85 feet had been impacted by the spill, with the full horizontal and vertical extent of impacts not yet delineated, and that 581 cubic yards of impacted material had been excavated to date.

On May 27, 2025, ECMC Staff inspected (document no. 718300022) the Spill and observed and documented hydrocarbon impacted soil remaining visible in the center of the excavation floor.

On August 27, 2025, ECMC Staff inspected (document no. 714300243) the Spill and documented that no additional excavation had been conducted in the spill area.

Operator failed to investigate, clean up, and document impacts resulting from Spills or Releases as soon as the impacts were discovered, violating Rule 912.a(2).

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 02/26/2026

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

Operator will immediately resume active remediation of the impacts from Spill ID 487984. Operator will submit a Form 27 Supplemental Site investigation and Remediation Workplan for Remediation Project No 39579 with all outstanding documentation and a workplan and timeline for remediating impacts resulting from Spill ID 487984.

Rule: 912.b.

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

Initial Discovery Date: 12/19/2024 Was this violation self-reported by the operator? No

Date of Violation: 12/19/2024 Approximate Time of Violation: \_\_\_\_\_

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 912.b.(6), no later than 90 days after a Spill or Release is discovered, KP Kauffman Company, Inc. ("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, 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 September 24, 2024, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403930265) for a spill (Spill/Release Point ID: 487984, "Spill") of an unknown amount of produced water and oil from the Dechant State 3 Flowline. Operator reported the date of Spill discovery as September 20, 2024.

On April 2, 2025, 104 days late, Operator submitted a Supplemental Form 19, Spill/Release Report (document no. 404131707) requesting closure of the Spill, with remediation activities to continue under Remediation Project No 39579.

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

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/12/2026

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

Operator will immediately resume active remediation of the impacts from Spill ID 487984. Operator will submit a Supplemental Form 27, Site investigation and Remediation Workplan for Remediation Project No 39579 with all outstanding documentation and a workplan and timeline for remediating impacts resulting from Spill ID 487984.

Rule: 913.

Rule Description: Site Investigation, Remediation, and Closure

Initial Discovery Date: 09/20/2024

Was this violation self-reported by the operator? No

Date of Violation: 09/20/2024

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 913.b.(5).B.i., when conducting Remediation activities, KP Kauffman Company, Inc. ("Operator") will fence or cover open excavations to prevent access when sites are not attended.

On September 20, 2024, ECMC Staff performed an inspection (document no. 710100264) in response to an email notification sent from Operator on the same day (document no. 710100290) for a spill (Spill/Release Point ID: 487984, "Spill") from the Dechant State 3 Flowline (Flowline Facility ID: 475722, "Flowline"). Staff observed and documented that no fencing had been installed around the open excavation.

On September 24, 2024, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403930265) for the Spill initially reported via email.

On September 26, 2024, the surface owner contacted ECMC Staff and Operator via email (document no. 710100290) to request that the area be fenced to prevent livestock access to the excavation and contaminated soil stockpiles as cattle were anticipated to be grazing in the spill area. This request was relayed to Operator.

On October 10, 2024 and October 15, 2024, ECMC Staff inspected (document no. 710100288) the Spill and observed and documented that the fencing surrounding the open excavation was inadequate to prevent livestock entry. Photos attached to the inspection (document nos. 710100291 & 710100289) document orange snow fencing surrounding the open excavation.

On March 26, 2025, ECMC Staff inspected (document no. 717100143) the Spill and observed and documented that there were no Operator representatives on site during the inspection and orange snow fencing previously installed around the open excavation had fallen around portions of the excavation and did not fully encompass the excavation perimeter. Additionally, the inspection noted that orange snow fencing was inadequate to prevent livestock entry.

On May 27, 2025, ECMC Staff inspected (document no. 718300022) the Spill and observed and documented that there were no Operator representatives on site during the inspection and that orange snow fencing remained down around the open excavation and was inadequate to prevent livestock entry.

On August 27, 2025, ECMC Staff inspected (document no. 714300243) the Spill and observed and documented that there were no Operator representatives on site during the inspection and that orange snow fencing remained down around the open excavation and was inadequate to prevent livestock entry.

Operator failed to properly fence the open excavation to prevent access, violating Rule 913.b.(5).B.i.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 02/12/2026

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

Operator will install and maintain three strand barbed wire fence or a hot wire fence which completely excludes livestock from the open excavation and any of the contaminated soils at the Spill location in compliance with Rule 913.b.(5).B.i until the excavation backfill has been completed.

Rule: 913.

Rule Description: Site Investigation, Remediation, and Closure

Initial Discovery Date: 06/12/2024

Was this violation self-reported by the operator? No

Date of Violation: 06/12/2024

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 913.e., for remediation projects approved prior to January 15, 2021, and for projects approved thereafter, KP Kauffman Company, Inc. ("Operator") will adopt a quarterly reporting schedule unless a more frequent or specific reporting schedule

was already approved by the Director.

On March 14, 2025, Operator submitted an Initial, Form 27, Site Investigation and Remediation Workplan (document no. 404116584; Remediation Project No. 39579) for the remediation of the Dechant State 3 Flowline spill (Spill ID 487984).

As of February 12, 2026, Operator has not submitted a Supplemental Form 27, Site Investigation and Remediation Workplan for remediation project No 39579.

Operator failed to provide quarterly update reports in a Supplemental Form 27, violating Rule 913.e.

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 02/26/2026

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

Operator will submit a Supplemental Form 27, Site investigation and Remediation Workplan providing a quarterly update report for Remediation Project No 39579.

Rule: 913.

Rule Description: Site Investigation, Remediation, and Closure

Initial Discovery Date: 09/20/2024 Was this violation self-reported by the operator? No

Date of Violation: 09/20/2024 Approximate Time of Violation: \_\_\_\_\_

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 913.b.(5)B.iv., when conducting Remediation activities, KP Kauffman Company, Inc. ("Operator") will properly store, handle, and manage all E&P Waste to prevent contamination of stormwater, surface water, Groundwater, and soil.

On September 20, 2024, ECMC Staff performed an inspection (document no. 710100264) in response to an email notification sent from Operator on the same day (document no. 710100290) for a spill (Spill/Release Point ID: 487984, "Spill") from the Dechant State 3 Flowline (Flowline Facility ID: 475722, "Flowline"). Staff observed and documented that E&P waste was being stockpiled on location with inadequate best management practices ("BMPs"), including discontinuous and unconsolidated berms surrounding the soil stockpile and holes in the stockpile liner. Staff also observed and documented that E&P waste had spilled and spread outside of the stockpile area.

On September 24, 2024, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403930265) for the Spill initially reported via email.

On October 10, 2024 and October 15, 2024, ECMC Staff inspected (document no. 710100288) the Spill and observed and documented E&P waste remained stockpiled on location with inadequate BMPs (holes in stockpile liner and discontinuous/unconsolidated berms) and that E&P waste remained outside of the stockpile area.

On March 26, 2025, ECMC Staff inspected (document no. 717100143) the Spill and observed and documented E&P waste stockpiled in two areas of the location. Staff observed and documented that BMPs around the two stockpile areas were inadequate because the liners under the soil stockpiles were discontinuous and the perimeter berms surrounding the soil stockpiles had been driven over, rendering them inadequate. Additionally, staff observed and documented that E&P waste had spread outside of the stockpile areas.

On May 27, 2025, ECMC Staff inspected (document no. 718300022) the Spill and observed and documented that the two E&P waste soil stockpiles remained present on location with the same inadequate BMPs observed in the previous field inspection, with E&P waste still present outside of the stockpile areas.

On August 27, 2025, ECMC Staff inspected (document no. 714300243) the Spill that the two E&P waste soil stockpiles remained present on location with the same inadequate BMPs observed in the previous field inspections, with E&P waste still present and continuing to spread outside of the stockpile areas.

Operator failed to properly store, handle, and manage E&P Waste, violating Rule 913.b.(5)B.iv.

Abatement or Corrective Action Required to be Performed by Operator: \_\_\_\_\_ Corrective Action Due Date: 02/12/2026

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

Operator will immediately remove and properly dispose all stockpiled oily waste from Spill ID 487984.

## 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: 02/12/2026

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

ECMC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (720) 765-0031

## CORRECTIVE ACTION COMPLETED

Rule: 606

Rule Description: Equipment, Weeds, Waste, and Trash Requirements

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

Rule: 902.

Rule Description: Pollution

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

Rule: 912.a.

Rule Description: Spills and Releases - General

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

Rule: 912.b.

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

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

Rule: 913. \_\_\_\_\_  
 Rule Description: Site Investigation, Remediation, and Closure  
 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  
 \_\_\_\_\_

Rule: 913. \_\_\_\_\_  
 Rule Description: Site Investigation, Remediation, and Closure  
 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  
 \_\_\_\_\_

Rule: 913. \_\_\_\_\_  
 Rule Description: Site Investigation, Remediation, and Closure  
 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  
 \_\_\_\_\_

**FINAL RESOLUTION**

Cause #: \_\_\_\_\_ Order #: \_\_\_\_\_ Docket #: \_\_\_\_\_  
 Enforcement Action: \_\_\_\_\_ Final Resolution Date: \_\_\_\_\_  
 Final Resolution Comments:  
 \_\_\_\_\_

**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>
404544057	NOAV CERTIFIED MAIL RECEIPT
404544067	NOAV ISSUED

Total Attach: 2 Files