



State of Colorado
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109



FOR OGCC USE ONLY

6/29/2012

200355205

*** NOTICE OF ALLEGED VIOLATION ***

OGCC Operator Number: 100185
Name of Operator: ENCANA OIL & GAS (USA) INC
Address: 370 17TH ST STE 1700
City: DENVER State: CO Zip: 80202-5632
Company Representative: CHARLES JENSEN

Date Notice Issued:

6/29/2012

Well Name: Well Number: Facility Number: 429326
Location (OtrQtr. Sec. Twp. Rng. Meridian): SWSE 7 6S 92W 6 County: GARFIELD
API Number: 05 Lease Number:

COGCC Representative: SPRY OROURKE LINDA Phone Number 970 625-2497

THE FOLLOWING ALLEGED VIOLATION WAS FOUND BY THE COGCC REPRESENTATIVE FOR THE SITE LISTED

Date of Alleged Violation: 6/16/2012

Approximate Time of Violation:

Description of Alleged Violation:

A pipeline containing produced water and flowback water developed a sudden leak at the above location, resulting in ~50 bbls of E&P waste water (produced and recycled water) being released into the Davis irrigation ditch, which is a water of the state. Encana personnel noticed a sudden pressure drop in the line and identified the leak. Encana reported the incident to the CDPHE- incident #2012-0427. Encana filed a verbal report to the COGCC and have submitted a Form 19 Spill Report. Encana pumped water out of the ditch to recover the fluids, repaired the line, and collected soil samples. A complaint (#200353851) was filed with the COGCC by one downstream ditch user regarding possible impacts to their pond and spring. Ditch users downstream of the release reported seeing iridescent and/or odorous scum collect intermittently along the ditch. Ditch users reported that the ditch recharges the aquifer containing their domestic water wells. One downstream ditch user reported that their well is dry in two weeks if there is no water flow in the ditch.

Act, Order, Regulation, Permit Conditions Cited:

324.A.a, 324.A.b, 907.a.(1), 907.a.(2)

Abatement or Corrective Action Required to be Performed by Operator:

See Attached.

Abatement or Corrective Action to be Completed by (date):

7/9/2012

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

TO BE COMPLETED BY OPERATOR - When alleged violation is corrected, sign this notice and return to above address:

Company Representative Name: Charles Jensen Title: Hydrogeologist
Signature: Charles Jensen Date: 7/6/12
Company Comments:

*** THIS NOTICE CONSTITUTES A SEPARATE NOTICE OF ALLEGED VIOLATION FOR EACH VIOLATION LISTED ***

WARNING

Abatement and reporting time frames for Notices of Alleged Violation begin upon receipt of this Notice, reported to the Colorado Oil and Gas Conservation Commission at the address shown above, and postmarked no later than the next business day after the prescribed time for abatement. Should abatement or corrective action fail to occur, the Director may make application to the Commission for an Order Finding Violation. Proper and timely abatement does not necessarily preclude the assessment of penalties and an Order Finding Violation.

PENALTY PROPOSED BY THE DIRECTOR PER RULE 523

The Director may propose a penalty as listed in the table below for each violation. The proposed penalty amount will be limited to \$10,000 per day per violation if the violation does not result in significant waste of oil and gas resources, damage to mineral rights, or a significant adverse impact on public health, safety, or welfare. Such proposed penalty amount may be increased if appropriate factors indicate the violation was intentional or reckless; had, or threatened to have, a significant negative impact on public health, safety, or welfare; resulted in significant waste of oil and gas resources; had a significant negative impact on mineral rights of other parties; resulted in or threatened to result in significant loss or damage to public or private property; involved contamination or residues upon the part of the violator; involved intentional false reporting or record keeping; resulted in economic benefit to the violator. Such proposed penalty amount may be decreased if mitigating factors indicate the violator: self-reported promptly, attentively and promptly responded to the violation; cooperated with the Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations and orders. The Commission has final authority over the penalty amount assessed. The Commission or other agencies with respect to the violation; could not reasonably control, or be responsible for, the cause of the violation; made a good faith effort to comply with applicable requirements prior to the Commission learning of the violation; had any economic benefit reduced or eliminated due to the cost of correcting the violation; has demonstrated a history of compliance with Commission rules, regulations and orders. The Commission has final authority over the penalty amount assessed.

BASE FINE \$750.00 PER DAY PER VIOLATION RULES 210 307 311 312 313 314A 315 403 404 803 804
BASE FINE \$500.00 PER DAY PER VIOLATION RULES 205 206 207 208 302 304 306 310 316A 317 322 323 324 325 326 327 333 404 602 603 604 701 704 705
BASE FINE \$750.00 PER DAY PER VIOLATION RULES 200 301 303 305 306 308 317 317A 318 319 323 324 325 326 327 333 404 602 603 604 701 704 705
BASE FINE \$1,000.00 PER DAY PER VIOLATION RULES 200 301 303 305 306 308 317 317A 318 319 323 324 325 326 327 333 404 602 603 604 701 704 705

In accordance with Rule 523 a(4), fines for violations for which no base fine is listed shall be determined by the Signer at its discretion.

Signature of COGCC Representative: Alex J Fisher Date: 6/29/2012 12/18/12 Time: 10:30AM-0645AM
Resolution Approved by: Alex J Fisher Date: 12/18/12

Abatement or Corrective Actions:

1. Submit a written engineering evaluation of the pipeline failure, and actions to be taken to prevent a repeat occurrences
2. Provide a work plan for an investigation into possible impacts from the release including

A. a desktop and field reconnaissance well search to identify both permitted and unpermitted domestic water wells, springs, ponds and other water features downgradient of the release location,

B. Sampling program to collect samples from the Guthrie well, Schultz well, and Janice Hunt spring utilizing the COGCC analytical suite (below), no later than July 10, 2012 to evaluate possible impacts to wells and spring(s) after infiltration time.

C. An additional sampling event for the 3 features is required by September 10, 2012.

D. Water features identified in the well search shall be sampled when identified and again by September 10, 2012 if they are located between the release location and the northern edge of NESE Section 27 6S 92W 6th meridian.

E. A comprehensive, interpretive report summarizing the investigation and results is due by October 15, 2012.

F. Sampling plan for collection of a sample representative of the E&P waste released and analysis for the suite attached.

3. Provide list of downstream Davis Ditch and Dry Hollow users with contact dates and user response .
4. If COGCC analytical sampling results indicate an impact, additional sampling may be required.
5. Provide pipeline testing records.

NOAV # 200355205 Attachment
 Operator: Encana
 Facility 429326
 Location SWSE 7 6S 92W
 Garfield County

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COGCC Analytical Suite:

Analysis	Method	Analyte list
SPECIFIC CONDUCTIVITY	EPA120.1	
PH	EPA150.1	
TOTAL DISSOLVED SOLIDS	EPA160.1	
Dissolved METALS - ICP	EPA200.7	BARIUM BORON CALCIUM CHROMIUM COBALT COPPER IRON LITHIUM MAGNESIUM MANGANESE NICKEL POTASSIUM SILICON SODIUM STRONTIUM VANADIUM ZINC
Dissolved Metals	EPA200.8	ANTIMONY ARSENIC MOLYBDENUM SELENIUM URANIUM
Alkalinity	EPA310.1	BICARBONATE AS CaCO3 CARBONATE AS CaCO3 HYDROXIDE TOTAL ALKALINITY AS CaCO3
Mercury	E245.1	
Inorganic anions	EPA300.0	BROMIDE CHLORIDE FLUORIDE SULFATE
Dissolved methane	RSK175	ETHANE ETHENE METHANE
GASOLINE RANGE ORGANICS	SW8015	
DIESEL RANGE ORGANICS	SW8015MCALUFT	
Semi-VOAs	SW8270	
VOAs	SW8260	
SODIUM ADSORPTION RATIO	lab calculated	
Total Organic Carbon	Method 413.1	
field observation:	sediment (present or absent)	
field observation:	odor	
field observation:	effervescence	
field observation:	particulates (present or absent, color)	

field observation:

field reading:

field reading:

color

temperature

volume/rate of purging