

State of Colorado
Oil and Gas Conservation Commission

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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

OGCC Operator Number: <u>76120</u>	Contact Name and Telephone:
Name of Operator: <u>SAND HILLS SOCIETY</u>	Name: <u>Terri Wallace</u>
Address: <u>8310 S VALLEY HWY 3RD FLR</u>	Phone: <u>(303) 842-5551</u> Fax: <u>()</u>
City: <u>ENGLEWOOD</u> State: <u>CO</u> Zip: <u>80112</u>	Email: <u>terri.wallace@att.net</u>

Additional Operator Contacts	Email
Ed Neibauer	pmpetroleum4@msn.com

Well Location, or Facility Information (if applicable):

API Number: 05- - -00 Facility or Location ID: 403660
 Name: STRICKLER-62S50W Number: 31NWNE
 QtrQtr: NWNE Sec: 31 Twp: 2S Range: 50W Meridian: 6
 County: WASHINGTON

ALLEGED VIOLATION

Rule: 1004.a
 Rule Description: Final Reclamation - Well Sites Reclamation
 Initial Discovery Date: _____ Was this violation self-reported by the operator? No
 Date of Violation: _____ Approximate Time of Violation: _____
 Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 1004.a., upon the plugging and abandonment of a well, Sand Hills Society ("Operator") shall 1) backfill all pits, mouse and rat holes, and cellars; 2) remove all debris and surface equipment within three months; 3) reclaim well locations, access roads, culverts, and associated facilities; 4) as applicable, perform compaction alleviation, restoration, and revegetation work at well sites, associated production facilities, and access roads to the same standards established for interim reclamation under Rule 1003; and 5) remove all other equipment, supplies, weeds, rubbish, and other waste material. All such reclamation work shall be completed within three months on crop land and twelve months on non-crop land after plugging a well or final closure of associated production facilities, and Operator shall make every reasonable effort to complete reclamation before the next local growing season.

On April 12, 2007, Operator plugged and abandoned the Strickler #1-31 (API No. 05-121-09713; at Location ID 403660, "Location"), (Form 6-Subsequent Document No. 2062139). The Location is on non-cropland, thus, pursuant to Rule 1004.a., Operator was required to complete final reclamation work no later than April 12, 2008.

COGCC Staff observed the plugging operations, and required Operator to take the following steps with regards to the open pit(s) at the Location (Pit ID 117753, 104571; "Pit"): sample the Pit and file a Site Investigation and Remediation Workplan ("Form 27") for COGCC's approval before closing the Pit. (Field Inspection Report No. 200110143).

On April 23, 2016, COGCC Staff conducted an inspection of the Location and observed that Operator failed to reclaim the Location and Pit in accordance with Rule 1004.a. final reclamation requirements: there were Pit, mouse/rat holes and/or cellars that had not been backfilled; the locations, facilities, and/or roads had not been recontoured; the Location had not been revegetated to 80% of reference area levels; and the Pit area where the well once resided remained unvegetated. COGCC Staff required Operator to perform the following corrective actions: sample the Pit, report results compared to the Table 910-1 standards, and submit a Form 27 by April 30, 2016; and establish appropriate vegetation and implement erosion controls to stabilize the seeded soil by May 31, 2016. (Field Inspection Report No. 682500676, "April 2016 FIR").

COGCC Staff conducted follow up inspections on December 15, 2016, and October 30, 2017, and observed that no reclamation work appeared to have been conducted and that the Pit was still open with no sample results or Form 27 submitted. COGCC Staff repeated the corrective action requirements, and retained the due dates from the April 2016 FIR. (Field Inspection Report Nos. 682501500 for December 15, 2016, and 682502768 for October 30, 2017).

Operator failed to perform final reclamation at the Location, violating Rule 1004.a.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 04/05/2019

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

Operator shall perform reclamation in accordance with COGCC 1000-Series Rules at the Location.

By the corrective action due date, Operator shall submit an eForm 4 Sundry Notice which:

- 1) Proposes a revegetation plan to accomplish the following before the next local growing season:
 - a) Establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of pre-disturbance or reference area levels,
 - b) Use a seed mixture requested by the surface owner, or a mixture prescribed by the local county NRCS, and
 - c) Implement erosion controls to stabilize the seeded soil, and continue to monitor and manage the Location until it has passed final reclamation; and
- 2) Details Operator's plan (with specific tasks and schedules) to complete final reclamation at the Location, and proposes a reasonable timeline to complete such work.

By the corrective action due date, Operator shall submit an eForm 27 with a plan to sample and properly close the Pit in accordance with Rules 905, 909 & 910. Operator shall include a proposed soil sample location diagram and plan to properly remediate any impacts.

Rule: 302.b

Rule Description: Form 1A Designation of Agent

Initial Discovery Date: _____ Was this violation self-reported by the operator? No

Date of Violation: _____ Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 302.b., Sand Hills Society ("Operator") shall submit a Designation of Agent ("Form 1A") listing employees approved to submit documents to COGCC on behalf of the Operator. Form 1A requires identification of a Principal Agent designated to accept and be served notices from COGCC. Operator shall immediately report all changes to reported agent information by submitting a new Form 1A.

As of March 1, 2019, Operator has not identified a Principal Agent on a Form 1A.

Operator's has failed to maintain an up-to-date Form 1A on file with COGCC, with current designation of and contact information for Operator's Principal Agent, violating Rule 302.b.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 04/05/2019

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

By the corrective action due date, Operator shall submit an accurate and up-to-date Form 1A Designation of Agent to COGCC. The Form 1A shall name a Principal Agent designated to accept and be served notices from COGCC, and list employees approved to submit documents to COGCC on behalf of the Operator. Operator shall include all pertinent information including name, valid email address, mailing address, and direct phone number. The Form 1A shall be signed, dated, and approved by an officer or principal of the company.

COGCC Forms are available at <http://cogcc.state.co.us/reg.html#/forms>

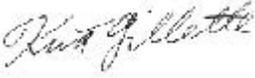
PENALTY

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_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: <u>03/05/2019</u>	
COGCC Representative Signature: _____	_____
COGCC Representative: <u>Kira Gillette</u>	Title: <u>NOAV Specialist</u>
Email: <u>kira.gillette@state.co.us</u>	Phone Num: <u>(303) email</u>

ATTACHMENT LIST

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

<u>Document Number</u>	<u>Description</u>
401957132	NOAV CERTIFIED MAIL RECEIPT
401960273	NOAV COVER LETTER

Total Attach: 2 Files