

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: 10556

Name of Operator: PLUG NICKEL OIL COMPANY INC

Address: 2552 NORTH 500 EAST

City: VERNAL State: UT Zip: 84078

Contact Name and Telephone:

Name: DANNY B MORTENSEN

Phone: (435) 789-8479 Fax: ( )

Email: hogue@stratanet.com

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

API Number: 05-103-06444-00

Facility or Location ID:

Name: USA PAN AM

Number: 16-4

QtrQtr: SESW

Sec: 16

Twp: 2N

Range: 103W

Meridian: 6

County: RIO BLANCO

### ALLEGED VIOLATION

Rule: 912.b

Rule Description: Venting or Flaring Natural Gas - Notice and Prior Approval Required

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 912.b., except for gas flared or vented during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test, Operator shall flare or vent gas from a well only after Operator has given notice to and obtained approval from COGCC on a Sundry Notice ("Form 4") stating the estimated volume and content of the gas.

On September 20, 2019, COGCC Staff inspected the Well, and observed venting of natural gas from the Wellhead casing through a partially open valve. A 3 cubic foot bag filled with gas in 8 minutes. The pump jack was pumping at the time of measurement. COGCC Staff also observed that none of the Rule 912.b. exception conditions were occurring at the time of the venting. (Field Inspection Report No. 679705521).

As of September 20, 2019, Operator had not submitted a Form 4 request to vent from the Well, and had not obtained COGCC approval for venting gas from the Well.

Without approval from COGCC, Operator vented gas from the Well during non-upset conditions, violating Rule 912.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/09/2019

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

Operator shall immediately cease venting and flaring at the Well location, and shall ensure it has obtained written COGCC approval via Form 4 prior to resuming venting or flaring.

In its Rule 522.d.(2) Answer, due within 28 days of the Operator's receipt of the NOAV, Operator shall include documentation of implementation of an internal procedure to ensure COGCC approval is obtained prior to any venting or flaring at its locations, as required by Rule 912.b.

### 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](mailto:dnr_cogccenforcement@state.co.us).

### NOAV ISSUED

NOAV Issue Date: 11/08/2019

COGCC Representative Signature: 

COGCC Representative: Kira Gillette

Title: NOAV Specialist

Email: [kira.gillette@state.co.us](mailto:kira.gillette@state.co.us)

Phone Num: ( )

### 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>
402234749	NOAV COVER LETTER
402234750	NOAV CERTIFIED MAIL RECEIPT

Total Attach: 2 Files