

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:
04/28/2020

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>46290</u>	Contact Name and Telephone:
Name of Operator: <u>KP KAUFFMAN COMPANY INC</u>	Name: <u>ROSS WATZMAN</u>
Address: <u>1675 BROADWAY, STE 2800</u>	Phone: <u>(303) 825-4822</u> Fax: <u>()</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>	Email: <u>rwatzman@kpk.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05- - -00 Facility or Location ID: 241244
Name: DACONO Number: 1
QtrQtr: SENE Sec: 1 Twp: 1N Range: 68W Meridian: 6
County: WELD

ALLEGED VIOLATION

Rule: 804
Rule Description: Visual Impact Mitigation
Initial Discovery Date: 03/25/2019 Was this violation self-reported by the operator? No
Date of Violation: 03/25/2019 Approximate Time of Violation: _____
Was this a discrete violation of obvious duration? Unknown
Description of Alleged Violation:

Pursuant to Rule 804., KP Kauffman Company Inc ("Operator") shall paint all production facilities observable from any public highway, regardless of construction date, with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to but slightly darker than the surrounding landscape.

On March 25, 2019 (doc# 688401538), during a routine inspection COGCC Staff inspected the tank battery, and observed improper visual impact mitigation. The tanks in the tank battery were painted in a color contrasting with the surrounding landscape.

During a follow up inspection on April 07, 2020 (doc# 693502621), COGCC Staff observed the corrective action was not taken. The tank battery maintained improper visual impact mitigation. The tanks were painted in a color contrasting with the surrounding landscape.

Operator's tank was painted a color that contrasted with the surrounding landscape, violating Rule 804.

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 05/28/2020

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

Operator shall paint all production facilities observable from any public highway with a uniform, non-contrasting, non-reflecting color tone matched to but slightly darker than the surrounding landscape.

Rule: 907A

Rule Description: Management of Non-E&P Waste

Initial Discovery Date: 03/29/2018

Was this violation self-reported by the operator? No

Date of Violation: 03/29/2018

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 907A.a. and c., KP Kauffman Company Inc ("Operator") shall properly identify and dispose of non-E&P wastes in accordance with state and federal regulations, including storing, treating, and disposing of hazardous waste in accordance with 6 C.C.R. 1007-3.

On March 29, 2018 (doc# 684905199), during a routine inspection of the Well, COGCC Staff observed stained soil and non-E&P waste on location in the compressor shed.

On March 25, 2019 (doc# 688401538), COGCC Staff conducted a follow up inspection of the Well, and observed stained soil and non-E&P waste on location in the compressor shed.

During a follow up inspection on April 07, 2020 (doc# 693502621), COGCC Staff inspected the Well, and observed corrective action was not taken to remove the stained soil and non-E&P waste on location in the compressor shed.

Operator failed to properly identify and dispose of non-E&P wastes, violating Rule 907A.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/28/2020

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

Operator shall properly identify and dispose of non-E&P wastes and remediate the stained soil in accordance with applicable solid and/or hazardous waste regulations.

Rule: 912

Rule Description: Venting or Flaring Natural Gas

Initial Discovery Date: 04/07/2020

Was this violation self-reported by the operator? No

Date of Violation: 04/07/2020

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

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, KP Kauffman Company Inc ("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 April 07, 2020, during a follow up inspection of the Well, COGCC Staff observed the Operator producing well with gas sales meter lock out tag out (LOTO), sending gas to enclosed combustion device (ECD) onsite. Operator was flaring gas from the Well, and failed to obtain approval from COGCC prior to such flaring, violating Rule 912.b.

Operator flared gas from the Well, and failed to obtain approval from COGCC prior to such flaring, violating Rule 912.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/28/2020

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.

NOAV ISSUED

NOAV Issue Date: 04/28/2020

COGCC Representative Signature: /s/ Trent Lindley

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x

ATTACHMENT LIST

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

Document Number **Description**

402383376	NOAV CERTIFIED MAIL RECEIPT
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Total Attach: 1 Files