

State of Colorado
Oil and Gas Conservation Commission

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Date Issued:

05/20/2021

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: 10705

Name of Operator: EVERGREEN NATURAL RESOURCES LLC

Address: 1875 LAWRENCE ST STE 1150

City: DENVER State: CO Zip: 80202

Contact Name and Telephone:

Name: CHRIS SANCHEZ

Phone: (719) 846-7898 Fax: ()

Email: chris.sanchez@enrllc.com

Well Location, or Facility Information (if applicable):

API Number: 05-071-09252-00

Facility or Location ID:

Name: BURRO CANYON DEEP

Number: 34-28

QtrQtr: SWSE Sec: 28

Twp: 32S Range: 66W

Meridian: 6

County: LAS ANIMAS

ALLEGED VIOLATION

Rule: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

Initial Discovery Date: 08/08/2016

Was this violation self-reported by the operator? No

Date of Violation: 04/12/2012

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.a, Evergreen Natural Resources, LLC ("Operator") shall, upon the plugging and abandonment of a well,...All debris, abandoned gathering line risers and flowline risers, and surface equipment shall be removed within three (3) months of plugging a well. All access roads to plugged and abandoned wells and associated production facilities shall be closed, graded and recontoured. Culverts and any other obstructions that were part of the access road(s) shall be removed. Well locations, access roads and associated facilities shall be reclaimed. As applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003. All other equipment, supplies, weeds, rubbish, and other waste material shall be removed. All such reclamation work shall be completed within twelve (12) months on non-crop land after plugging a well or final closure of associated production facilities.

On August 8, 2016, COGCC Staff inspected (Field Inspection Report No. 668004671) the Burro Canyon Deep #34-28 location (ID No. 309215, "Location") and observed the Location and access road were not reclaimed in accordance with Rule 1004.a; well abandoned April 12, 2011, final reclamation activities required to be completed by April 12, 2012. COGCC Staff required Operator to perform the following corrective actions: comply with COGCC 1004 Rules.

COGCC Staff conducted followup inspections on February 10, 2020 (Field Inspection Report No. 689901793) and December 23, 2020 (Field Inspection Report No. 690200970), and observed the Location and access road remain out of compliance with Rule 1004.a and corrective actions. COGCC Staff required Operator to perform the following corrective actions: comply with 1004 Rules.

On October 9, 2020, a Form 10 (Document No. 402506125) was submitted for transfer of ownership of the well with an effective date of December 1, 2018.

Operator failed to complete Final Reclamation on the Location and access road within twelve (12) months after abandonment of the well, violating Rule 1004.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/20/2021

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

Conduct final reclamation in accordance with Rule 1004.a on the Location and access road. Upon completion of final reclamation activities pursuant to Rule 1004.a, Operator shall implement long-term stormwater and erosion control Best Management Practices ("BMP"s) in accordance with Rule 1002.f; all BMPs shall be maintained in proper functioning condition per good engineering practices until Location receives a passing final reclamation inspection.

Rule: 312

Rule Description: Certificate of Clearance and/or Change of Operator

Initial Discovery Date: 10/09/2020

Was this violation self-reported by the operator? No

Date of Violation: 12/15/2018

Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 312.a, Evergreen Natural Resources, LLC ("Operator") shall, within fifteen (15) days of an operator change for any well, file a Form 10 with a filing and service fee.

On October 9, 2020, a Form 10 (Document No. 402506125) was submitted for transfer of ownership of the well with an effective date of December 1, 2018.

Operator failed to file a Form 10 within fifteen (15) days of an operator change, violating rule 312.a.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 05/20/2021

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

No abatement or corrective action required.

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 523.c.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgement may be entered. An answer will, at a minimum, discuss the allegations contained in the NOAV, responding to each; identify corrective actions taken in response to the NOAV, if any; and identify facts known to the operator at the time that are relevant to the operator's response to the alleged violations. 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: 05/20/2021

COGCC Representative Signature: Trent Lindley

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x5143

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>
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Total Attach: 0 Files