

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

403257404

Date Issued:

12/12/2022

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 523, 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 525, 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: 46290

Name of Operator: KP KAUFFMAN COMPANY INC

Address: 1700 LINCOLN ST STE 4550

City: DENVER State: CO Zip: 80203

Contact Name and Telephone:

Name: ROSS WATZMAN

Phone: (303) 825-4822 Fax: ()

Email: rwatzman@kpk.com

Well Location, or Facility Information (if applicable):

API Number: 05-123-09055-00

Facility or Location ID:

Name: UPRR 43 PAN AM I

Number: 23

QtrQtr: SESW

Sec: 11

Twp: 1N

Range: 68W

Meridian: 6

County: WELD

ALLEGED VIOLATION

Rule: 1101.b.

Rule Description: Off-Location Flowline Registration

Initial Discovery Date: 07/26/2022

Was this violation self-reported by the operator? No

Date of Violation: 07/25/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to 1101.b.(3).c, KP Kauffman Company, Inc. ("Operator") must submit a Flowline Report that includes: Geographic Information System (GIS) data that includes the flowline alignment and the following attributes: fluid type, pipe material type, and pipe size. GIS data must be submitted in the North American Datum of 1983 (NAD 83) and in a format approved by the Director. The GIS data for these off-location flowlines must be the most accurate data possible without using invasive methods and a minimum horizontal positional accuracy of +/- 25 feet.

On July 26, 2022, COGCC representatives inspected (document no. 691201639) a spill of oil, produced water, and condensate oil, discovered after it daylighted to the surface (Spill/Release Point ID 482625, "Spill") in response to Operator's phone call, notifying COGCC staff of the Spill. During the call, Operator indicated the location of the Spill was unexpected.

COGCC staff conducted a review of the mapped data on file and determined the flowline is approximately 600 feet from where the spill occurred.

Operator failed to provide accurate GIS data for off-location flowlines, with a minimum horizontal positional accuracy of +/- 25 feet, violating Rule 1101.b.(3).c.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 01/11/2023

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

Operator will submit a Form 44 Flowline report updating the existing map data for these adjacent flowlines to comply with the minimum horizontal accuracy requirements +/- 25 feet.

Rule: 902.

Rule Description: Pollution

Initial Discovery Date: 07/26/2022

Was this violation self-reported by the operator? Yes

Date of Violation: 07/25/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 902.a., KP Kauffman Company, Inc. ("Operator") will prevent Pollution. Pursuant to Rule 902.b., Operator will prevent adverse environmental impacts on any air, water, soil, or biological resource resulting from Oil and Gas Operations and will protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources. Pursuant to Rule 902.c., Operator will prevent the unauthorized discharge or disposal of oil, condensate, gas, E&P Waste, Chemical substances, trash, discarded equipment, and other oil field waste.

On July 26, 2022, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403116664) for a spill of oil, produced water, and condensate oil, discovered after it daylighted to the surface (Spill/Release Point ID 482625, "Spill"). In the Form 19, Operator reported that wells were shut off to isolate the leak and then turned on individually to determine which flowline caused the leak.

On July 26, 2022, COGCC representatives inspected (document no. 691201639) the Spill location and observed impacted soils stockpiled behind an unconsolidated earthen berm with no liner and no signage to identify the soil. Operator reported orally during the inspection and on the Initial Form 19, that produced fluids were utilized after the wells were shut off and then turned back on individually, to identify which well was producing to the damaged flowline, rather than utilizing an inert fluid.

On August 4, 2022, Operator submitted a Supplemental Form 19, Spill/Release Report (document no. 403127242) reporting impacts to both soil and groundwater as a result of this spill.

On August 16, 2022, COGCC representatives inspected (document nos. 697601858) the Spill and documented groundwater in contact with impacted soils in the open excavation.

Operator failed to prevent pollution and adverse environmental impacts on air, water, soil, or biological resources resulting from Oil and Gas Operations and failed to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources, and prevent the unauthorized discharge of oil, violating Rule 902.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/12/2022

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

Operator submitted an Initial Form 27, Site Investigation and Remediation Workplan on September 30, 2022 (document no. 403182745). Operator shall follow the workplan and timeline for remediation of this spill and investigation into impacts to groundwater after approval of the Form 27.

Rule: 912.a.

Rule Description: Spills and Releases - General

Initial Discovery Date: 07/26/2022

Was this violation self-reported by the operator? No

Date of Violation: 07/25/2022

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to 912.a.(1), Immediately upon discovering any Spills or Releases of E&P Waste, produced Fluids, or unauthorized Releases of natural gas that meet the criteria of Rules 912.b.(1).H, I, or J, regardless of size or volume, KP Kauffman Company, Inc. ("Operator") will control and contain the Spill or Release to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources. Pursuant to 912.a.(2), Operator will investigate, clean up, and document impacts resulting from Spills and Releases as soon as the impacts are discovered.

On July 26, 2022, Operator submitted an Initial Form 19, Spill/Release Report (document no. 403116664) for a spill of oil, produced water, and condensate oil, discovered after it daylighted to the surface (Spill/Release Point ID 482625, "Spill"). In the Form 19, Operator reported that wells were shut off to isolate the leak and then turned on individually to determine which flowline caused the leak.

On July 26, 2022, COGCC representatives inspected (document no. 691201639) the Spill location and observed impacted soils stockpiled behind an unconsolidated earthen berm with no liner and no signage to identify the soil. Excavation to investigate and determine impacts from the spill had not begun at the time of the inspection.

Operator failed to immediately control and contain the Spill to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources and failed to investigate, clean up, and document impacts from Spills and Releases as soon as the impacts are discovered, violating Rule 912.a.(1) & (2).

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 12/12/2022

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

Operator submitted an Initial Form 27, Site Investigation and Remediation Workplan on September 30, 2022 (document no. 403182745). Operator shall follow the workplan and timeline for remediation of this spill and investigation into impacts to groundwater after approval of the Form 27.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 525, 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 judgment may be entered. Answers are filed by email to dnr_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 12/12/2022

COGCC Representative Signature:



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>
------------------------	--------------------

403257439	NOAV CERTIFIED MAIL RECEIPT
-----------	-----------------------------

Total Attach: 1 Files