

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

IN THE MATTER OF ALLEGED VIOLATIONS) CAUSE NO. 1V
OF THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION) DOCKET NO. 180100008
COMMISSION BY PLATINUM GAS) TYPE: ENFORCEMENT
PROPERTIES, LLC, YUMA COUNTY,) ORDER NO. 1V-653
COLORADO)

ADMINISTRATIVE ORDER BY CONSENT

(Pursuant to Rule 522.b.(3) of the Rules and Regulations of the
Colorado Oil and Gas Conservation Commission, 2 CCR 404-1)

FINDINGS

1. Platinum Gas Properties, LLC ("Platinum") (Operator No. 10274) is the operator of record for three wells in Yuma County, Colorado, the Simmons 34-11 (API 05-125-11365), Simmons 43-11 (API 05-125-11378), and Simmons 44-11 (API 05-125-11364) (the "Wells").
2. Rule 1102.d. requires each operator with pipelines under COGCC jurisdiction to become a member of the Utility Notification Center of Colorado ("Colorado 811") and participate in Colorado's One Call notification system.
3. Based on COGCC Staff ("Staff") records reviews and consultation with Colorado 811, Staff determined that Platinum has at least one pipeline under COGCC jurisdiction but was not a member of Colorado 811. Staff issued Warning Letter #401287809 to Platinum on May 19, 2017, for a violation of Rule 1102.d. In the Warning Letter, Staff required Platinum to register with Colorado 811 by June 30, 2017.
4. Staff received a response from Platinum on June 30, 2017, indicating Platinum did not believe they were subject to Rule 1102.d. and that Platinum had not registered with Colorado 811.
5. Staff responded by email on July 5, 2017 to notify Platinum that Platinum was subject to the requirements of Rule 1102.d. Staff invited Platinum to submit evidence to refute Staff's finding, but again directed Platinum to register with Colorado 811.
6. On September 19, 2017, a representative from Colorado 811 confirmed that Platinum was still not registered with Colorado 811, violating Rule 1102.d.
7. On September 25, 2017, Staff issued a Notice of Alleged Violation ("NOAV") (No. 401411487) to Platinum for a violation of a COGCC Rule of Practice and Procedure, 2 C.C.R. 404-1 ("Rule"), Rule 1102.d. – One Call Participation.

8. On October 27, 2017, Staff received correspondence from Platinum confirming Platinum's membership with Colorado 811 as of October 19, 2017.

9. Following a factual investigation and legal review of the violation alleged in the NOAV, Staff now asserts Platinum has committed one, 389-day violation of Rule 1102.d. for Platinum's failure to obtain membership with Colorado 811.

10. Pursuant to Rule 523 and the Commission's Enforcement and Penalty Policy, Staff calculated a penalty of \$4,335 for this violation. The penalty calculation is based on the following:

Rule No.	Class	Impact	Daily Base Penalty	Start Date	End Date	Days of Violation	Penalty
1102.d.	2	Minor	\$15	9/25/2016	10/19/2017	389	\$5,835
SETTLEMENT INDUCEMENT							-\$1,500
TOTAL PENALTY							\$4,335

- a. Class 2 Violation;
- b. Minor impact;
- c. Start Date: September 25, 2016 (one year prior to NOAV issuance);
- d. End Date: October 19, 2017 (commencement of Colorado 811 Membership);
- e. 389 days of violation;
- f. \$15 per day base penalty;
- g. Staff exercised its discretion to impose a reduced daily penalty in order to make the overall penalty appropriate to the nature of the violation, per Rule 523.c.(4). Staff determined that any economic benefit from non-compliance was negligible once Platinum paid the Utility Notification Center of Colorado Membership Fee. Additionally, because Platinum operates only three wells at adjoining locations in a remote area of Yuma County's rangeland, Staff determined that it is unlikely that Platinum avoided any substantial cost or burden related to location requests during the period it was not a member. Staff is also unaware of any damage to pipelines resulting from Platinum's failure to comply with Rule 1102.d. These considerations resulted in Staff concluding that a daily base penalty of \$15 was appropriate to the nature of this violation;
- h. Platinum upgraded its Colorado 811 Membership to Tier One on January 16, 2018, in exchange for a \$1,500 penalty reduction;
- i. No aggravating factors;
- j. No mitigating factors;
- k. No pattern of violation; and
- l. No gross negligence or knowing and willful misconduct.

AGREEMENT

NOW, THEREFORE, based on the Findings and pursuant to Rule 522.e.(1) and the Commission's Enforcement and Penalty Policy, the Director and Platinum request that the Commission approve the Order set forth below.

RECOMMENDED this 17th day of January, 2018.

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

Steven Mah

By _____
Steven Mah, Enforcement Officer

AGREED TO AND ACCEPTED this 17th day of January, 2018.

PLATINUM GAS PROPERTIES LLC

By *Roger Brenner*
Signature of Authorized Company Representative

Roger Brenner
Print Signatory Name

CEO
Title

ORDER

HAVING CONSIDERED the Agreement between the Director and Platinum to resolve the NOAV, the COMMISSION ORDERS:

1. Platinum is found in violation of Rule 1102.d., as described above.
2. Platinum is assessed a penalty of \$4,335.
3. Platinum will pay \$4,335 within 30 days after this AOC is mailed by the Commission.

4. Compliance dates specified in this Order may be extended only for good cause, as determined at the Director's sole discretion. A request for extension must be made, in writing, at least 35 days prior to the pertinent compliance deadline or as soon as possible if 35-days prior notice is not feasible. Failure to receive an extension prior to the compliance deadline or the failure to meet a compliance deadline may constitute a new violation subject to additional penalties.

5. This Order is effective as of the date it is mailed by the Commission. It constitutes final agency action for purposes of judicial review.

6. The Commission expressly reserves its right after notice and hearing, to alter, amend, or repeal any and/or all of the above orders.

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ENTERED this 30th day of JAN, 2018 as of the 29th day of January, 2018.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By 
Julie Spence Prine, Secretary

CERTIFICATE OF MAILING

On February 7th, 2018, a true and accurate copy of Commission Order 1V-653 was mailed by first-class mail return receipt requested to the following:

Platinum Gas Properties LLC
Attn. Roger H. Brenner
6946 County Rd T
Kirk, CO 80824


Margaret Humecki