

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

IN THE MATTER OF ALLEGED VIOLATIONS OF) CAUSE NO. 1V
THE RULES AND REGULATIONS OF THE)
COLORADO OIL AND GAS CONSERVATION) DOCKET NO. 170600304
COMMISSION BY **GEOTECH PRODUCTION INC,**) TYPE: ENFORCEMENT
WASHINGTON COUNTY, COLORADO) ORDER NO: 1V-640

ADMINISTRATIVE ORDER BY CONSENT

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

FINDINGS

1. Geotech Production Inc. ("Geotech") (Operator No. 33825) is the operator of the State-62N54W Location (Location ID. 403644) ("Location") in Washington County, Colorado.
2. The Location includes the State #1X-16 Well (API No. 05-121-09694) ("Well") and the St. 1X-16 Pit (Facility ID. 119830) ("Pit").
3. On June 1, 2007, Geotech plugged and abandoned the Well (Doc. No. 1917446).
4. During a March 17, 2016 inspection of the Location, COGCC Staff observed that the Pit had not been reclaimed, the Location had inadequate vegetative cover, and equipment and debris remained on the Location (Doc. No. 682500508).
5. In the March 17, 2016 inspection, COGCC Staff required Geotech to begin the following corrective actions: (1) submit a Form 27, Site Investigation and Remediation Workplan, for the closure of the Pit; (2) remove the debris and equipment; (3) establish vegetation; and (4) control erosion until the completion of final reclamation (Doc. No. 682500508).
6. During follow-up inspections on August 31, 2016 and February 17, 2017, COGCC Staff observed that none of the corrective actions required by the March 16, 2016 inspection had been fully performed (Doc. Nos. 682501283 & 682501671).
7. On March 21, 2017, COGCC Staff issued Notice of Alleged Violation No. 401238912 ("NOAV") to Geotech for a violation of Rule 1004 (Final Reclamation) of the COGCC Rules of Practice and Procedure, 2 C.C.R. 404-1 ("Rule" or "Rules") for the failure to complete final reclamation, including the closure of pits, establishment of revegetation, and removal of debris, at the Location within 12 months of plugging of the Well.
8. On April 13, 2017, Geotech submitted a Form 27, Site Investigation and

Remediation Workplan, for the Location noting that Geotech had removed remaining debris and equipment from the location and taken initial sampling of the Pit facility (Doc. No. 401257846; Remediation Project No. 10134)

9. On May 30, 2017, Geotech submitted Supplemental Form 27 No. 401294879 reporting that all soil samples demonstrated compliance with COGCC Table 910-1 standards and that Geotech had completed remediation of the Pit and Location including backfilling the Pit with clean fill and top soil, recontouring and seeding the Pit and Location, and spreading straw to stabilize the top soil. (Doc. Nos. 401294879 and 401294897) Pursuant to the information provided in the Supplemental Form 27, COGCC Staff determined that Geotech had completed the work necessary to close the Pit and Remediation Project 10134.

10. On June 13, 2017, COGCC Staff inspected the Location and confirmed closure of the pit facility. (Doc. No. 688000008)

11. On June 23, 2017, COGCC Staff inspected the location and confirmed that reclamation was in process, that the location and access road had recent reclamation work performed, and that the location appeared recently re-seeded and stabilized. (Doc. No. 682502336)

12. Pursuant to Rule 523 and the Commission's Enforcement Guidance and Penalty Policy, Hearings staff calculated a penalty of \$45,833. The penalty calculation is based on the following:

Rule No.	Days of Violation	Start Date	End Date	Class	Impact	Daily Base Penalty	Total Penalty
1004	443	3/26/2016	4/13/2017	2	Minor	\$2,500	\$61,110
SUBTOTAL							\$61,110
Settlement Discount (25%)							\$15,277
TOTAL PENALTY							\$45,833

- a. Application of the Duration Matrix of the COGCC Enforcement Guidance and Penalty Policy;
- b. Start date of one year prior to the service of the NOAV and end date of April 13, 2017, being the commencement of the corrective action (Geotech's filing of Form 27, Doc. No. 401257846);
- c. Settlement discount of 25%;
- d. No aggravating or mitigating factors; and
- e. No pattern of violation, 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 Guidance and Penalty Policy, the Director and Geotech agree to request that the Commission enter the Order set forth below.

RECOMMENDED this 17 day of July, 2017.

OIL AND GAS CONSERVATION COMMISSION OF
THE STATE OF COLORADO

By David A. Beckstrom
David A. Beckstrom, Assistant Attorney General

AGREED TO AND ACCEPTED this 17th day of July, 2017.

GEOTECH PRODUCTION INC.

By Ralph L. Henderson
Signature of Authorized Company Representative

RALPH L HENDERSON
Print Signatory Name

PRESIDENT
Title

ORDER

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

1. Geotech is found in violation of Rule 1004, as described above.
2. Penalty:
 - a. Geotech is assessed a total penalty of \$45,833 for this violation.
 - b. Geotech will pay \$11,500 of the total penalty in four installments as set forth below, with all installments due by 5:00pm Mountain Time:

- i. \$4,000, within 30 days after this AOC is mailed by the Commission;
 - ii. \$2,500, no later than Thursday, November, 23, 2017;
 - iii. \$2,500, no later than Friday, March 23, 2018; and
 - iv. \$2,500, no later than Monday, July 23, 2018.
- c. The remaining \$34,333 will be suspended pending Geotech's timely completion of the Corrective Actions set forth in Paragraph 3, below.
- i. Should Geotech timely complete the Corrective Actions set forth in Paragraph 3, the portion of the suspended penalty corresponding to that Corrective Action will be vacated.
 - ii. Should Geotech fail to timely complete a Corrective Action set forth in Paragraph 3, the corresponding portion of the suspended penalty will be due, and received by the Commission, no later than 30 calendar days after a written demand for payment by the Director, which will be served pursuant to Rule 521 at Geotech's address of record, on file with the COGCC pursuant to Rule 302, and without further action by the Commission.

3. Corrective Actions and Corresponding Penalties:

- a. No later than September 30, 2017, Geotech will either 1) accomplish a vegetative cover of four seeded perennial seedlings per square foot of the entirety of each location listed in Paragraph 3.a. and submit a Form 4, Sundry Notice, informing Staff of such and including photographs and germination plots, or 2) should such germinating seeded species not be present, submit to COGCC Staff a Final Reclamation Plan detailing those actions it will take to achieve successful reclamation of the location, beginning with a reseeded of the Location to be completed no later than October 31, 2017.

Corresponding Penalty: \$12,500

- b. No later than September 2019 Geotech will have established vegetation at the Location with perennial non-invasive plant cover of at least 80% of reference area levels, using a seed mixture matching adjacent pastureland or a seed mixture requested by the landowner and pass a Final Reclamation Inspection in accordance with Rule 1004.c.

Corresponding Penalty: \$12,500

- c. Geotech will ensure the erosion controls required by Rule 1002.f. and weed control required by Rules 1004.e and 503.f. are maintained until the Location has a passing final reclamation COGCC Inspection Report.

Corresponding Penalty: \$9,333

4. Consequences of Default: Should Geotech fail to timely perform two or more of the Corrective Actions described in Paragraph 3 of the Order section of this AOC, or should Geotech fail to timely pay any portion of the penalty assessed under this AOC, the total penalty remaining, including any remaining suspended portion (less any payments already made), will be due, and received by the Commission, no later than 30 business days after a written demand for payment by the Director, which will be served pursuant to Rule 521 at Geotech's address of record, on file with the COGCC pursuant to Rule 302, and without further action by the Commission.

5. Compliance dates specified in this Order may only be extended for good cause, as determined at the Director's sole discretion. A request for extension must be made, in writing, at least 30 days prior to the pertinent compliance deadline or as soon as possible if 30 days prior notice is not feasible.

6. Failure to timely pay any penalty installment or perform the corrective actions by the above deadlines is an independent violation that may be subject to additional penalties.

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

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

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ENTERED this 25th day of July, 2017 as of the 24th day of July, 2017.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By James P. Rouse
James P. Rouse, Acting Secretary

CERTIFICATE OF MAILING

On August 7th, 2017, a true and accurate copy of Order 1V-640 was mailed by certified mail, return receipt requested to the following address:

Geotech Production Inc.
Attn: Ralph Henderson
7844 South Espana Way
Aurora, CO 80016-1918



Margaret Humecki