

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:

403440851

Date Issued:

06/21/2023

Date Resolved:

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: 10384

Name of Operator: GENESIS GAS & OIL COLORADO LLC

Address: 1141 NORTH LOOP 1604 E 105-414

City: SAN ANTONIO State: TX Zip: 78232

Contact Name and Telephone:

Name: JEFFREY KARCZ

Phone: (303) 909-6401 Fax: ()

Email: jkarcz@genesiscoco.com

Well Location, or Facility Information (if applicable):

API Number: 05-103-11565-00

Facility or Location ID:

Name: FGSU

Number: 4-41 WD

QtrQtr: Lot 17

Sec: 4

Twp: 1N

Range: 100W

Meridian: 6

County: RIO BLANCO

ALLEGED VIOLATION

Rule: 1003.b

Rule Description: Interim Reclamation - Areas No Longer In Use

Initial Discovery Date: 06/28/2022

Was this violation self-reported by the operator? No

Date of Violation: 04/10/2017

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1003.b, Genesis Gas and Oil Colorado LLC ("Operator") shall reclaim all disturbed areas affected by drilling or subsequent operations, except areas reasonably needed for production operations or for subsequent drilling operations to be commenced within twelve (12) months, as early and as nearly as practicable to their original condition or their final land use as designated by the surface owner and shall be maintained to control dust and minimize erosion to the extent practicable.

COGCC staff conducted an inspection on June 28, 2022 (document no. 696203802), of the Fletcher Gulch 4-41 ("Location"), and observed that the Location and access road have been constructed, and pipeline infrastructure, including risers, pipes, and a valve can/cellar installed on the Location and along the access road. Staff conducted an audit of Operator's records and determined that Operator's Form 2, Application for Permit to Drill ("APD") expired on April 10, 2016 (document no. 400473086) and Operator's Federal APD expired on July 31, 2010 (document no. 1828336). Staff directed Operator to comply with Rule 1004.a and conduct final reclamation of the Location and access road by September 15, 2022.

COGCC staff conducted a follow-up inspection on April 27, 2023 (document no. 696204895) and observed corrective actions requiring Operator to conduct final reclamation of the Location and access road were not taken.

Operator failed to reclaim all disturbed areas to their original condition or final land use as designated by the surface owner, violating Rule 1003.b.

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/19/2023

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

Comply with 1004 rules and conduct final reclamation including, but not limited to, removal of surface equipment and risers, abandonment of flowlines, compaction alleviation, recontouring/regrading, and revegetation activities on the Location and access road.

Stormwater BMPs are required to be installed in accordance with Good Engineering Practices, and maintained in proper functioning condition at all times until Location receives a passing final reclamation inspection.

Rule: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

Initial Discovery Date: 06/28/2022

Was this violation self-reported by the operator? No

Date of Violation: 04/10/2017

Approximate Time of Violation:

Was this a discrete violation of obvious duration? Unknown

Description of Alleged Violation:

Pursuant to Rule 1004.a, Genesis Gas and Oil Colorado LLC ("Operator") shall, upon the plugging and abandonment of a well, all pits, mouse and rat holes and cellars shall be backfilled. All debris, abandoned gathering line risers and flowline risers, and surface equipment shall be removed within three (3) months. 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.

COGCC staff conducted an inspection on June 28, 2022 (document no. 696203802), of the Fletcher Gulch 4-41 ("Location"), and observed that the Location and access road have been constructed, and pipeline infrastructure, including risers, pipes, and a valve can/cellar installed on the Location and along the access road. Staff conducted an audit of Operator's records and determined that Operator's Form 2, Application for Permit to Drill ("APD") expired on April 10, 2016 (document no. 400473086) and Operator's Federal APD expired on July 31, 2010 (document no. 1828336). Staff directed Operator to comply with Rule 1004.a and conduct final reclamation of the Location and access road by September 15, 2022.

COGCC staff conducted a follow-up inspection on April 27, 2023 (document no. 696204895) and observed corrective actions requiring Operator to conduct final reclamation of the Location and access road were not taken.

Operator failed to conduct final reclamation of the Location and access road, violating Rule 1004.a..

Abatement or Corrective Action Required to be Performed by Operator:

Corrective Action Due Date: 07/19/2023

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

Comply with 1004 rules and conduct final reclamation including, but not limited to, removal of surface equipment, compaction alleviation, recontouring/regrading, and revegetation activities on the Location and access road.

Stormwater BMPs are required to be installed in accordance with Good Engineering Practices, and maintained in proper functioning condition at all times until Location receives a passing final reclamation inspection.

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: 06/21/2023

COGCC Representative Signature: _____

COGCC Representative: Trent Lindley

Title: NOAV Specialist

Email: trent.lindley@state.co.us

Phone Num: (303) 894-2100x5143

CORRECTIVE ACTION COMPLETED

Rule: 1003.b

Rule Description: Interim Reclamation - Areas No Longer In Use

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? _____

Description of Actual Corrective Action Performed by Operator

Rule: 1004.a

Rule Description: Final Reclamation - Well Sites Reclamation

Corrective Action Start Date: _____

Corrective Action Complete Date: _____

Has corrective action for this violation been performed as required? _____

Description of Actual Corrective Action Performed by Operator

FINAL RESOLUTION

Cause #: _____ Order #: _____ Docket #: _____

Enforcement Action: _____

Final Resolution Date: _____

Final Resolution Comments:

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>
403440952	NOAV CERTIFIED MAIL RECEIPT
403440957	NOAV ISSUED

Total Attach: 2 Files