



# COLORADO

## Energy & Carbon Management Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801  
Denver, CO 80203

[www.colorado.gov/ecmc](http://www.colorado.gov/ecmc)

### WARNING LETTER # 403744409

04/08/2024

EVERGREEN NATURAL RESOURCES LLC (# 10705)

MICHAEL JOY

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PCW 12-4 WD (API# 071-06421)

SWNW, 4, 34S, 65W, LAS ANIMAS

**This Warning Letter is to inform you that EVERGREEN NATURAL RESOURCES LLC (“Operator”) may be in violation of the rules and regulations of the Colorado Energy and Carbon Management Commission (“ECMC”) and corrective action is required.**

ECMC has reasonable cause to believe that Operator has committed one or more violations of the Oil and Gas Conservation Act, or of a rule, regulation, or order of the Commission, or of a permit issued by the Commission. Operator is required to comply with this Warning Letter by the **Corrective Action Deadline Date(s)** to resolve the alleged violation(s). Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which ECMC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 525, ECMC Rules of Practice and Procedure, 2 CCR 404-1.

#### Alleged Violation(s) and Required Corrective Action(s):

801. Class II Underground Injection Control Wells

Violation Date: 04/03/2024

Violation Discovery Date: 04/03/2024

Description of Alleged Violation: 801.e An Operator will not inject any Fluids or other contaminants into a UIC Aquifer that meets the definition of an Underground Source of Drinking Water unless EPA has approved a UIC Aquifer exemption as described in Rule 802.e.

Aquifer exemption received on doc# 1999100 exempted the following areas of T34S R65W  
E1/2 of the NE 1/4 and NESE of Sec 5  
NW and N1/2 of the SW1/4 of Sec 4,

Distance from the 071-06421 PCW 12-4 WD to the north boundary of the aquifer exemption (North line of Section 4) is approximately 1736'

Based on the completed intervals of doc#00661494 and doc# 00661491, the completed interval is 120'  
Based on the density log provided on doc# 00977788, the average porosity across those intervals is 11.2%



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Interval from doc# 00661493 with a top of 4034' and a base of 4122', resulting in an 88 ft interval, average porosity 12%

Interval from doc# 00661491 with a top of 3961' and a base of 3971', resulting in an 10 ft interval, average porosity 10%

Interval from doc# 00661491 with a top of 3981' and a base of 3995', resulting in an 14 ft interval, average porosity 8%

Interval from doc# 00661491 with a top of 4011' and a base of 4019', resulting in an 8 ft interval, average porosity 9%

Total interval of 120' and a weighted average of 11.2%

Injection Volumes as of 05-Apr-2024 27,596,985 bbls

Based on the completed intervals and petrophysical logs, the estimated injection radius is approximately 1916', which is beyond the boundary of the exempted aquifer. There is currently no aquifer exemption in Section 33 of T33S R65W.

**Required Corrective Action:** Required Corrective Action: Within 14 days of the Operator's receipt of the warning letter, Operator shall:

- Shut-in and lock-out tag-out the Well to prevent further injection.
- Provide a plan to bring the well into compliance.

**Corrective Action Deadline Date:** 04/22/2024

### 803. Application Requirements for Class II Underground Injection Control Well

**Violation Date:** 03/15/2024

**Violation Discovery Date:** 03/15/2024

**Description of Alleged Violation:** Rule 803.f.(3) Disposal Wells will initially be permitted for an injection volume based on a 1/4 mile radius from the completed interval in the Injection Zone. The 1/4 mile radius will be measured from the surface location(s) for proposed vertical disposal Well(s), or the completed portion of the wellbore(s) in the Injection Zone in drifted, directional, or horizontal disposal Wells.

Permit application doc#00661482 provided maps of oil and gas wells within 1/4 mile radius, and surface owners within 1/4 mile radius, consistent with application requirements.

Correspondence for Aquifer Exemption doc# 00661457 calculated injection volume, assuming one-quarter mile radius, of 12,134,027 bbls as the maximum allowable injection volumes.

Operator's injection Volumes as of 05-Apr-2024 total 27,596,985 bbls, exceeding the maximum allowable injection volumes

**Required Corrective Action:** Required Corrective Action: Within 14 days of the Operator's receipt of the warning letter, Operator shall:

- Shut-in and lock-out tag-out the Well to prevent further injection.
- Provide a plan to bring the well into compliance.

**Corrective Action Deadline Date:** 04/22/2024



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### **How to Comply with Warning Letter:**

Operator shall complete the Required Corrective Action(s) above within the deadline(s) provided. Upon completion of the Corrective Action(s), Operator shall provide notice and evidence of completion to the ECMC staff identified below by the Corrective Action Deadline Date(s):

COGCC Representative: Curtis Haverkamp

Title: Injection Coordinator

Phone Num: (720) 786-5560x

Email: [curtis.haverkamp@state.co.us](mailto:curtis.haverkamp@state.co.us)

If you have any questions about this Warning Letter, please contact the ECMC Representative identified above.

### **Failure to Comply with Warning Letter:**

If Operator fails to perform Required Corrective Action(s) on or before the Corrective Action Deadline Date(s) stated above ECMC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 525, ECMC Rules of Practice and Procedure, 2 CCR 404-1.

### **Disclaimers:**

If the alleged violation(s) in this Warning Letter are the subject of previously issued Notice(s) of Alleged Violation ("NOAV") or Enforcement Order(s) ("Order"), Operator's obligations and the corrective actions and deadlines in such NOAV or Order stand and are not affected by this Warning Letter.

If issued in error, the Enforcement Unit reserves the right to rescind this Warning Letter prior to the ECMC Representative's receipt of Operator's notice and evidence of completion of the Corrective Action.

All well data, rules and forms are available on our website at [www.colorado.gov/cogcc](http://www.colorado.gov/cogcc).

Sincerely,

Curtis Haverkamp  
Injection Coordinator

### **Attachments**

View Attachments in Imaged Documents on ECMC website <http://ogccweblink.state.co.us/> Search by Document Number.

### **Document Number    Description**

<b><u>Document Number</u></b>	<b><u>Description</u></b>

Total Attach: 0 Files