

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

IN THE MATTER OF ALLEGED VIOLATIONS OF THE) CAUSE NO. 1V
RULES AND REGULATIONS OF THE COLORADO)
OIL AND GAS CONSERVATION COMMISSION BY) DOCKET NO. 150900160
MONUMENT GLOBAL RESOURCES INC,) TYPE: ENFORCEMENT
MONTEZUMA COUNTY, COLORADO)

NOTICE AND APPLICATION FOR HEARING

TO ALL INTERESTED PARTIES AND TO WHOM IT MAY CONCERN:

Pursuant to Rule 522.e.(2), the Colorado Oil and Gas Conservation Commission (“Commission” or “COGCC”) Staff will apply to the Commission at its September 14 & 15, 2015 hearing for an Order Finding Violation (“OFV”) against **Monument Global Resources, Inc.** (“Monument”) (Operator No. 10430). This Notice and Application is being served to adjudicate the allegations made in the below-described Notices of Alleged Violation (“NOAV”), the allegations of which are incorporated herein.

Monument is the operator of record of the Cache Unit 9 Well (API No. 05-083-05148), Cache Unit 6 Well (API No. 05-083-05152), and Cache Unit 1 Well (API No. 05-083-05153) in Montezuma County. Two spills occurred at the Cache Unit 9 and Cache Unit 6 Wells in 2012 that impacted either a tributary or the mainstem of McElmo Creek (Spills #1 & #2). Two additional spills occurred at the Cache Unit 9 and Cache Unit 1 Wells in 2013 (Spills #3 & #4).

On May 1, 2013, COGCC Staff issued NOAV No. 200379257 for violations at the Cache Unit 9 Well (Spill #1) of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 (“Rule” or “Rules”):

- a. Rule 324A (Pollution) for the failure to take precautions to prevent Spill #1 from adversely impacting water, soil, and other biological resources;
- b. Rule 906.a. (Spills & Releases, General) for the failure to investigate and clean up Spill #1 as soon as practicable;
- c. Rule 906.b.(3) (Reportable spills and reporting requirements for spills/releases) for the failure to verbally report Spill #1, which impacted waters of the state, to the Director within 24-hours of its discovery;
- d. Rule 906.c. (Surface owner notification and consultation) for the failure to notify the affected surface owner of Spill #1 with 24-hours of discovery; and
- e. Rule 1102.a.(1) (Maintenance) for the failure to take reasonable precautions to prevent failures, leakage, corrosion of pipelines, and therefore, additional releases.

On May 2, 2013, COGCC Staff issued NOAV No. 200379270 for violations at the Cache Unit 6 Well (Spill #2) of the following Rules:

- a. Rule 324A (Pollution) for the failure to take precautions to prevent Spill #2 from

adversely impacting water, soil, and other biological resources;

- b. Rule 906.a. (Spills & Releases, General) for the failure to investigate and clean up Spill #2 as soon as practicable; and
- c. Rule 1102.a.(1) (Maintenance) for the failure to take reasonable precautions to prevent failures, leakage, corrosion of pipelines, and therefore, additional releases.

On May 7, 2015, Staff sent Monument a Warning Letter requiring Monument to perform corrective actions regarding the four spills (Doc. No. 2533889). Monument did not perform these actions by the deadlines set forth in the Warning Letter. On June 23, 2015, Staff issued NOAV No. 200434664 to Monument for violations of the following Rules:

- a. Rule 906.a. (Spills/Releases, General) for the failure to investigate and clean up Spills #3 and #4 as soon as practicable;
- b. Rule 906.b. (Spills/Releases, Reporting) for the failure to submit a Form 19 and report Spill #4 to COGCC, the surface owner, or local government within the time required;
- c. Rule 906.c.(1) (Spills/Releases, Remediation)/Rule 909.e.(2)B (Notification of compliance with an approved workplan) for the failure to submit the supplemental report required by the Director regarding Spills #1, #2, and #3;
- d. Rule 906.c. (Spills/Releases, Remediation) for the failure to file a Form 27, Site Investigation and Remediation Workplan, to ensure compliance with the standards in Table 910-1 at the site of Spill #4; and
- e. Rule 906.d. (Spills/Releases, Prevention) for the failure to remove the decommissioned flowline that caused Spill #3.

COGCC Staff requests that Monument be found in violation of rules cited above, ordered to return to compliance, assessed a penalty pursuant to Rule 523, and other relief as authorized by law.

NOTICE IS HEREBY GIVEN, pursuant to: 1) the general jurisdiction granted to the Commission under § 34-60-105 C.R.S.; 2) specific powers granted pursuant to § 34-60-106 C.R.S.; 3) the State Administrative Procedure Act at § 24-4-105 C.R.S.; and 4) the 500-Series Rules, that the Commission has scheduled the above-entitled matter for hearing on:

Date: Monday, September 14, 2015
Tuesday, September 15, 2015

Time: 9:00 a.m.

Place: Western State Colorado University
University Center, South Ballroom
600 North Adams Street
Gunnison, CO 81231

In accordance with the Americans with Disabilities Act, if any party requires special accommodations as a result of a disability for this hearing, please contact Margaret Humecki at (303) 894-2100 ext. 5139, prior to the hearing and arrangements will be made.

Pursuant to said hearing in the above-entitled matter at the time and place aforesaid, or at any adjourned meeting, the Commission will enter such orders as it deems appropriate to protect the health, safety and welfare of the public and to prevent the waste of oil and gas, either or both, in the operations of said field, and to carry out the purposes of the statute.

In accordance with Rule 509., any interested party desiring to protest the granting of the application or to intervene on the application should file with the Commission a written protest or intervention no later than August 31, 2015, briefly stating the basis of the protest or intervention. One electronic, one original and two copies shall be filed with the Commission. Anyone who files a protest or intervention must be able to participate in a prehearing conference during the week of August 31, 2015. Pursuant to Rule 503.g., if a party who has received notice under Rule 503.b. wishes to receive further pleadings in the above-referenced matter, that party must file a protest or intervention in accordance with these rules.

OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF COLORADO

By  _____
Julie Murphy, Secretary

Dated: July 23, 2015

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