

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:
401077757
Date Issued:
07/14/2016
Date Resolved:

NOTICE OF ALLEGED VIOLATION - ISSUED

Per Rule 522, 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 523, 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: <u>10000</u>	Contact Name and Telephone:
Name of Operator: <u>BP AMERICA PRODUCTION COMPANY</u>	Name: <u>Patricia Campbell</u>
Address: <u>380 AIRPORT RD</u>	Phone: <u>(970) 335-3828</u> Fax: <u>()</u>
City: <u>DURANGO</u> State: <u>CO</u> Zip: <u>81303</u>	Email: <u>patricia.campbell@bp.com</u>

Well Location, or Facility Information (if applicable):

API Number: 05-067-09567-00 Facility or Location ID: _____
 Name: Eldridge 25-02 Number: 2
 QtrQtr: NESW Sec: 25 Twp: 33N Range: 11W Meridian: N
 County: LA PLATA

ALLEGED VIOLATION

Rule: 319.b.(1)

Rule Description: Temporary Abandonment - Notice Required

Initial Discovery Date: _____ Was this violation self-reported by the operator? No
 Date of Violation: _____ Approximate Time of Violation: _____
 Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rule 319.b.(1), a well may be temporarily abandoned (TA), after passing a successful mechanical integrity test per Rule 326, upon approval of the Director, for a period not to exceed six months provided the hole is cased or left in such a manner as to prevent migration of oil, gas, water or other substance from the formation or horizon in which it originally occurred. TA wells also require submission to COGCC of an annual Form 4 - Sundry Notice, requesting continued TA status. Multiple COGCC records indicate that the well is TAed. Although an initial Form 4 was filed by Operator on November 6, 2008 (Doc. No 1937891), Operator failed to file any additional, annual Form 4s. Warning Letter #2193073 was issued to Operator on December 14, 2015, and required corrective action to resolve the delinquent Sundry Notice, Form 4, request for TA or continued TA issue within 30 days of the issuance of that letter. Operator failed to respond to the warning letter and file subsequent annual Form 4s, violating Rule 319.b.(1).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 01/13/2016

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

Immediately submit a Sundry Notice, Form 4, as required by Rule 319.b.(1), to request continued temporarily abandoned status stating the reason for temporary abandonment and stating plans for future operation.

Rule: 326.c.(1)

Rule Description: MIT - Temporarily Abandoned Wells - Performance Within 30 Days

Initial Discovery Date: _____ Was this violation self-reported by the operator? No
 Date of Violation: _____ Approximate Time of Violation: _____
 Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rules 326.c.(1) and (2), Operator is required to perform a mechanical integrity test (MIT) on temporarily abandoned (TA) wells within 30 days of temporarily abandoning the well and then at five (5) year intervals after an initial successful MIT. Based on Operator's Form 7 Monthly Reports of Operations stating the well has been TA since October of 2008, COGCC staff has reason to believe the Eldridge 25-02 well, API 05-067-09567, (Well) is past due for performance of an MIT. Warning Letter #2193073 was issued to Operator on December 14, 2015, and required corrective action to resolve the delinquent MIT by April 30, 2016. To date Operator has not conducted an MIT for the Well, violating Rules 326.c.(1) and (2).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 04/30/2016

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

Operator shall immediately schedule and complete either MIT testing of the Well or plugging and abandonment of API 05-067-09567. Rule 316B requires notice to the Director on a Form 42 at least ten (10) days prior to conducting an MIT and submission of MIT results on a Form 21, within thirty (30) days after the test. A pressure chart shall accompany this Form 21 report. Rule 311 requires Operator to submit a Form 6, Notice of Intent to Abandon and secure Director approval prior plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed.

Rule: 326.c.(2)

Rule Description: MIT - Temporarily Abandoned Wells - Performance of Subsequent Tests

Initial Discovery Date: _____ Was this violation self-reported by the operator? No

Date of Violation: _____ Approximate Time of Violation: _____

Was this a discrete violation of obvious duration? No

Description of Alleged Violation:

Pursuant to Rules 326.c.(1) and (2), Operator is required to perform a mechanical integrity test (MIT) on temporarily abandoned (TA) wells within 30 days of temporarily abandoning the well and then at five (5) year intervals after an initial successful MIT. Based on Operator's Form 7 Monthly Reports of Operations stating the well has been TA since October of 2008, COGCC staff has reason to believe the Eldridge 25-02 well, API 05-067-09567, (Well) is past due for performance of an MIT. Warning Letter #2193073 was issued to Operator on December 14, 2015, and required corrective action to resolve the delinquent MIT by April 30, 2016. To date Operator has not conducted an MIT for the Well, violating Rules 326.c.(1) and (2).

Abatement or Corrective Action Required to be Performed by Operator: _____ Corrective Action Due Date: 04/30/2016

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

Operator shall immediately schedule and complete either MIT testing of the Well or plugging and abandonment of API 05-067-09567. Rule 316B requires notice to the Director on a Form 42 at least ten (10) days prior to conducting an MIT and submission of MIT results on a Form 21, within thirty (30) days after the test. A pressure chart shall accompany this Form 21 report. Rule 311 requires Operator to submit a Form 6, Notice of Intent to Abandon and secure Director approval prior plugging and abandonment of a well and to submit a Form 6, Subsequent Report of Abandonment, within 30 days after plugging and abandonment of the well has been completed.

PENALTY

Penalties for violations alleged in this NOAV will be calculated pursuant to Rule 523, with daily penalties accruing pursuant to Section 34-60-121(1), C.R.S.

ANSWER

Pursuant to Rule 522.d.(2), the operator must file an Answer to this NOAV within 28 days of its receipt, or a default judgement may be entered. Hard copy answers are filed with the Commission Secretary at the Commission's Denver office and should also be emailed to dnr_cogccenforcement@state.co.us.

NOAV ISSUED

NOAV Issue Date: 07/14/2016

COGCC Representative Signature: _____

COGCC Representative: Andrew Stone Title: Engineering Tech

Email: andrewg.stone@state.co.us Phone Num: (303) 894-2100x5188

CORRECTIVE ACTION COMPLETED

Rule: 319.b.(1)
 Rule Description: Temporary Abandonment - Notice Required
 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: 326.c.(1)
 Rule Description: MIT - Temporarily Abandoned Wells - Performance Within 30 Days
 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: 326.c.(2)
 Rule Description: MIT - Temporarily Abandoned Wells - Performance of Subsequent Tests
 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>
401078762	NOAV COVER LETTER
401078763	NOAV CERTIFIED MAIL RECEIPT
401078923	NOAV ISSUED

Total Attach: 3 Files