



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

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MEDIA CONTACT:

Megan Castle, COGCC Community Relations Supervisor

Megan.Castle@state.co.us, (303) 513-2713

Twitter: @ColoradoOGCC

Colorado Oil & Gas Conservation Commission Announces Compliance Plan for K.P. Kauffman at Hearing

Commission announces operator Compliance Plan to ensure protections for Colorado's public health, safety, welfare, wildlife and environmental resources

DENVER - The Colorado Oil and Gas Conservation Commission (COGCC) announced that following its finding of violations of the Commission's rules and a pattern of violations of its Commission's rules, the Commission approved an Enforcement Order that includes a global compliance plan (the Plan) with K.P. Kauffman.

The Commission worked with K.P. Kauffman to create a Compliance Plan for the operator regarding these 7 enforcement matters, and other alleged violations. The Plan provides a detailed action plan for bringing the operator into compliance with its 7 Notice of Alleged Violations heard during the enforcement matter and, in addition, provides an agreed upon action plan between K.P. Kaufmann and COGCC to allow the operator to take the necessary corrective actions to ensure that its other sites with alleged but non-adjudicated violations are brought into compliance with COGCC rules.

"COGCC's Professional Commission has the bandwidth and capacity to have negotiated this Compliance Plan that goes beyond the scope of the 7 NOAVs and addresses multiple Staff concerns with other sites operated by K.P. Kaufman. This Plan was an unique and creative solution that brings the additional benefits of saving time and resources by efficiently providing KPK and COGCC staff the opportunity to jointly create an action plan that ensures KPK returns to and maintains compliance with our Rules in a manner that protects Colorado's public health, safety, welfare, wildlife and the environment," said COGCC Commissioner Bill Gonzalez.

About the K.P. Kauffman (KPK) Compliance Plan:

- The Commission ordered KPK to pay \$795,000.00 over a period of five years rather than the \$2,014,530 penalty. The remaining balance is suspended or vacated upon KPK's compliance with the Plan.

- The Plan includes the 7 NOAVs and alleged, but unadjudicated, violations on 87 wells and 23 sites, which is typically not part of an enforcement outcome.
- The Plan includes measures should KPK not be able to meet the details of the Plan and has regular reporting and updates scheduled.
- The Commission can impose any remaining outstanding parts of the penalty amount, suspend any or all of KPK's Certificates of Clearance, or refuse to issue KPK new Oil & Gas Development Plans.

On Sept. 21, 2021, the COGCC made its adjudicatory decision regarding finding a Pattern of Violation in the K.P. Kauffman enforcement hearing. Additionally, the Commission applied an aggravating factor, based on the Pattern of Violation finding, to increase the penalties associated with a subset of the violations found by the Commission. As a result, the Commission imposed a total penalty of \$2,014,530 for the enforcement matter, which is the second largest penalty ever assessed by the Commission.

The decision made today underscores the main goal for the COGCC as a regulator, which is for operators to be in compliance to ensure protections for public health, safety, welfare, wildlife and environmental resources.

Visit the COGCC website, cogcc.state.co.us, to learn more, and to hear Commissioners' comments and deliberations which are available on the COGCC YouTube Channel. Click here for the [Compliance Plan Agreement](#).

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