

**FORM
INSP**Rev
05/11**State of Colorado****Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



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Inspection Date:

12/19/2013

Document Number:

673400170

Overall Inspection:

Unsatisfactory**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection
	<u>116589</u>	<u>312756</u>	<u>Waldron, Emily</u>	<input type="checkbox"/> 2A Doc Num: _____

Operator Information:

OGCC Operator Number:

Name of Operator: POC-I LLCAddress: 1888 SHERMAN ST #500City: DENVER State: CO Zip: 80203

- ☒ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED
- ☒ INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
FISCHER, ALEX		alex.fischer@state.co.us	
KELLERBY, SHAUN		shaun.kellerby@state.co.us	
Smothermon, Jerry		jerrydsmo@msn.com	
NEIDEL, KRIS		kris.neidel@state.co.us	
Wallis, Roy		roy_wallis@blm.gov	
Wiser, Shawna		swiswer@blm.gov	

Compliance Summary:

QtrQtr: _____ Sec: _____ Twp: _____ Range: _____

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/25/2012	662300137			Violation			Yes
03/16/2010	200240102	PR	PR	Unsatisfactory			Yes

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
116589	PIT		09/23/1999		-	ILES DOME SUNDANCE TANK BAT 2/PIT	
222181	WELL	PR	06/26/2006	OW	081-05119	ILES DOME UNIT 8	PR

Equipment:**Location Inventory**

Inspector Name: Waldron, Emily

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Signs/Marker:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
BATTERY	Unsatisfactory	Sign at battery incomplete.	Install sign to comply with rule 210.	01/31/2014
TANK LABELS/PLACARDS	Unsatisfactory	No labels on any tank.	Install sign to comply with rule 210.	02/07/2014

Emergency Contact Number: (S/U/V) Unsatisfactory

Corrective Date: 02/23/2014

Comment: _____

Corrective Action: Install emergency number.

Good Housekeeping:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
DEBRIS	Satisfactory	Oily rags, buckets, tools. All locations, including wells and surface production facilities shall be kept free of weeds; rubbish, and other waste material. Per rule 603.f		
UNUSED EQUIPMENT	Unsatisfactory	Tank 4 and 1 are out of service and in disrepair.	Completely isolate tanks 1 and 4 from process.	01/20/2014

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	<= 5 bbls	Stained pea gravel at tank 3. Operator was told they needed to submit a form 19 and remediate spill immediately.	12/29/2013
Produced Water	Flow Line	<= 5 bbls	Inspector observed leak from ball valve during inspection; pumper tightened valve and stopped leak. Operator was advised to submit a form 19.	12/29/2013

☐ Multiple Spills and Releases?

Fencing/:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
PIT	Unsatisfactory	Several holes in the wildlife fence around the pits.	Repair fence to prevent wildlife from accessing pits.	01/31/2014

Inspector Name: Waldron, Emily

Facilities:		<input type="checkbox"/> New Tank		Tank ID: _____									
Contents	#	Capacity	Type	SE GPS									
CRUDE OIL	2	500 BBLS	STEEL AST										
S/U/V:			Comment:	No labels on tanks. Tank tops showing signs of corrosion. H2S was detected during the inspection. Reporting requirements for H2S are found in rule 607.c and the Northwest Area Notification Policy.									
Corrective Action:			Immediately remove tanks from service. POC shall contract a third party Professional Engineer (P.E.) registered in the State of Colorado to complete an independent inspection of each of the above ground storage/process tanks and process flow lines. Prior to placing the tanks and process back into service, the P.E. shall certify the structural and mechanical integrity of the tanks. Report H2S to COGCC and the LGD as per rule 607.c and the Northwest Area Notification Policy.		Corrective Date: 01/31/2014								
<u>Paint</u> <table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td>Condition</td> <td></td> </tr> <tr> <td>Other (Content)</td> <td>_____</td> </tr> <tr> <td>Other (Capacity)</td> <td>_____</td> </tr> <tr> <td>Other (Type)</td> <td>_____</td> </tr> </table>						Condition		Other (Content)	_____	Other (Capacity)	_____	Other (Type)	_____
Condition													
Other (Content)	_____												
Other (Capacity)	_____												
Other (Type)	_____												
<u>Berms</u>													
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance									
Corrective Action				Corrective Date									
Comment													
Facilities:		<input type="checkbox"/> New Tank		Tank ID: _____									
Contents	#	Capacity	Type	SE GPS									
PRODUCED WATER	3	OTHER	STEEL AST										
S/U/V:			Comment:	1500 BBL tanks. No labels on tanks. The tank tops on all three tanks are corroding. Tank 2 is the worst. With the tank tops in this condition it is impossible for the tanks to be in compliance with rule 605.a(9). H2S was detected during the inspection. Reporting requirements for H2S are found in rule 607.c and the Northwest Area Notification Policy.									
Corrective Action:			Immediately remove tanks from service. POC shall contract a third party Professional Engineer (P.E.) registered in the State of Colorado to complete an independent inspection of each of the above ground storage/process tanks and process flow lines. Prior to placing the tanks and process back into service, the P.E. shall certify the structural and mechanical integrity of the tanks. Report H2S to COGCC and the LGD as per rule 607.c and the Northwest Area Notification Policy.		Corrective Date: 01/31/2014								
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Condition													
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Other (Capacity)	_____												
Other (Type)	_____												
<u>Berms</u>													
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance									
Corrective Action				Corrective Date									
Comment													
Venting:													
Yes/No	Comment												

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 116589

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/U/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:**S/U/V:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/U/V:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Stormwater:****Comment:** _____**Staking:****On Site Inspection (305):****Surface Owner Contact Information:**

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:**Summary of Operator Response to Landowner Issues:****Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:****Environmental****Spills/Releases:**

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____ Date: _____

Reportable: _____ GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Inspector Name: Waldron, Emily

Water Well:

Lat

Long

DWR Receipt Num:

Owner Name:

GPS :

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____

Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____

Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1003a. Debris removed? _____ CM _____
CA _____ CA Date _____
Waste Material Onsite? _____ CM _____
CA _____ CA Date _____
Unused or unneeded equipment onsite? _____ CM _____
CA _____ CA Date _____
Pit, cellars, rat holes and other bores closed? _____ CM _____
CA _____ CA Date _____
Guy line anchors removed? _____ CM _____
CA _____ CA Date _____
Guy line anchors marked? _____ CM _____
CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____

Production areas have been stabilized? _____

Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads _____ Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location ☐ Multi-Well Location ☐**Storm Water:**

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/U/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

Pit Type: Skimming/Settling Lined: YES Pit ID: _____ Lat: _____ Long: _____

Lining:

Liner Type: Plastic Liner Condition: Inadequate

Comment: Liner has been breached in pit 1 and 2.

Fencing:

Fencing Type: Wildlife Fencing Condition: Inadequate

Comment: Holes in wildlife fence.

Netting:

Netting Type: Mesh Netting Condition: Sagging into pit

Comment: Holes and sagging in netting.

Anchor Trench Present: _____ Oil Accumulation: YES 2+ feet Freeboard: _____

Pit (S/U/V): Violation Comment: Holes in wildlife fence, not 2 feet of freeboard, netting has holes and is sagging into pits.

Corrective Action: Repair wildlife fence. Replace netting. Take action to insure 2 feet of freeboard visible in all three pits. Provide written work plan to COGCC staff. Date: 01/20/2014

COGCC Comments

Comment	User	Date
A joint inspection was conducted with POC, BLM and COGCC representatives. All unsatisfactory and violations in this report were discussed with all parties. The operator will provide to COGCC a third party evaluation of the integrity of all 8 tanks. The operator will also supply a written work plan detailing when they plan to address each issue listed. In addition the operator has agreed to provide a detailed schematic of the battery and pits, and list of the producing wells coming into the battery.	waldrone	12/20/2013