

**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

DE	ET	OE	ES
----	----	----	----

Inspection Date:
09/03/2014Document Number:
668302299

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	241264	318420	JOHNSON, RANDELL	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 46290Name of Operator: K P KAUFFMAN COMPANY INCAddress: 1675 BROADWAY, STE 2800City: DENVER State: CO Zip: 80202

- ☐ 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
Lara-Mesa, Susana	303-825-4822	slaramesa@kpk.com	All Inspections
Kuhn, Denny		dkuhn@kpk.com	All Inspections
Teter, Roy		rteter@kpk.com	All Inspections
Brad Windell	303 442-4766	brad@aquaticandwetland.com	

Compliance Summary:QtrQtr: SWNW Sec: 18 Twp: 2N Range: 66W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
11/13/2013	668401851	PR	FR	SATISFACTORY	P		No
11/20/2008	200200088	PR	PR	SATISFACTORY			No
12/01/2003	200047046	CO	SI	ACTION REQUIRED		Fail	Yes
02/12/2003	200035020	PR	PR	SATISFACTORY		Pass	No
06/06/1996	500163819	PR	SI				

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
241264	WELL	PR	02/10/1977	OW	123-09052	FRANKLIN STERMOLE UNIT 1	PR	<input checked="" type="checkbox"/>

Equipment:Location Inventory

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**Lease Road:**

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	ACTION REQUIRED	Weeds along lease access road	Mow the weeds alongside the lease access road	09/17/2014

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY			
BATTERY	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WEEDS	ACTION REQUIRED	Weeds along lease access road, at battery site and wellhead location/See attached photos on last page of document	Remove weeds	10/03/2014
TRASH	ACTION REQUIRED	Trash/oil stained rags at the base of the south crude oil tank	Remove trash	10/03/2014

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	<= 5 bbls	Remove crude oil spills from hole in the side of the south crude oil tank/See attached photos on last page of document	10/03/2014
Crude Oil	Tank	<= 5 bbls	Remove crude oil spills at the back of both crude oil tanks/See attached photos on last page of document	10/03/2014
Crude Oil	Tank	<= 5 bbls	Remove or remediate stained soil due to spills around exposed piping at produced water tank/See attached photos on last page of document	10/03/2014
Crude Oil		<= 5 bbls	Remove or remediate stained soil as a result of spills from exposed piping in front of crude oil tanks/See attached photos on last page of document	10/03/2014

☒ Multiple Spills and Releases?**Equipment:**

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Horizontal Heated Separator	1		Separator is visible from the highway and must be painted	Paint separator	10/03/2014
Pump Jack	1	ACTION REQUIRED	Pump jack is unused	Remove unused equipment	10/03/2014
Gas Meter Run	1				
Ancillary equipment	1	ACTION REQUIRED	Electrical meter box is unused	Remove unused equipment	10/03/2014
Ancillary equipment	1	ACTION REQUIRED	Electrical breaker panel is unused	Remove unused equipment	10/03/2014
Ancillary equipment	2	ACTION REQUIRED	Electrical transformers are unused	Remove unused equipment	10/03/2014
Prime Mover	1	ACTION REQUIRED	Electric motor is unused	Remove unused equipment	10/03/2014

Facilities:☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	<100 BBLS	BV CONCRETE	40.138597,-104.827729
S/A/V:	ACTION REQUIRED	Comment:	Concrete produced water pit is unused	
Corrective Action:	Remove unused equipment			Corrective Date: 10/01/2014

Paint

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

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	
CRUDE OIL	2	300 BBLS	STEEL AST	40.138711,-104.827678	
S/AV:	ACTION REQUIRED		Comment: Steel crude oil production tanks are unused		
Corrective Action:		Remove unused equipment			Corrective Date: 10/03/2014
Paint					
Condition					
Other (Content)					
Other (Capacity)					
Other (Type)					
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate	
Corrective Action					Corrective Date
Comment					
Venting:					
Yes/No	Comment				
YES	FLIR camera verification of VOC's venting from regulators on piping next to sales meter/FLIR video stored on COGCC shared drive.				
Flaring:					
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date	

Predrill

Location ID: 241264

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:**S/A/V:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/A/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:**Facility**

Facility ID: 241264 Type: WELL API Number: 123-09052 Status: PR Insp. Status: PR

Producing Well**Comment:** According to COGCC production records, this well has not produced any oil or water since June of 2008 and only an average of 40 mcf gas production per month in the last year.**Environmental****Spills/Releases:**

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

Comment: _____**Corrective Action:** _____ **Date:** _____

Inspector Name: JOHNSON, RANDELL

Reportable: _____	GPS: Lat _____	Long _____
Proximity to Surface Water: _____	Depth to Ground Water: _____	

Water Well:

DWR Receipt Num: _____	Owner Name: _____	GPS : _____	Lat _____	Long _____
------------------------	-------------------	-------------	-----------	------------

Field Parameters:

Sample Location: _____

Complaint:

Tracking Num	Category	Assigned To	Description	Incident Date
200411312	SPILLS	Axelson, John	Liquid and gaseous hydrocarbons leaking from decades of production equipment deterioration next to the South Platte River. Operator has failed to comply with laws that protect human health and the environment. Exposure to gaseous subsurface leaking of hydrocarbons can cause lung cancer. Violations of the general duty clauses of the clean air act and the clean water act were reported in 2013 to COGCC. COGCC action to cap is strongly recommended to protect human health and environment laws.	08/28/2014
200411401	INACTIVE WELL	Noto, John	description on fax - Actively leaking well. Many complaints regarding this inactive well have been made. The well has not used electricity for 15 years (united power confirm). Records of production are kept to prevent cost of capping. All of the equipment is non-functional. This site is an active gas leaking health and safety violation that continues to deteriorate and threaten the publics air and water.	08/28/2014
200411401	LEAKING WELL	Noto, John	Complaint called in and faxed	08/28/2014

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 In Process

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
Compaction	Pass	Compaction	Pass			
Gravel	Pass	Gravel	Pass			
Other	Pass	Other	Pass			Vegetation

S/A/V: SATISFACTOR

Corrective Date: _____

Y

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT**COGCC Comments**

Comment	User	Date
This inspection was performed in response to Form 18 - Complaint Report #200411693. In addition to addressing the issues cited in this inspection, a pressure test results (50 pounds for 30 minutes) of flowlines from wellhead to the separator and from the separator to the sales point must be sent to COGCC for verification in the next 30 days. Jim Precup has also requested that a mechanical integrity test of the casing be performed in the next 30 days as well.	johnsonr	09/03/2014
VOC emissions were verified with a Forward Looking Infrared (FLIR) camera venting from the regulators on the piping next to the sales meter. Leaks must be addressed as soon as possible. The FLIR video is stored on COGCC shared drive and was not attached to this inspection because of size constraints.	johnsonr	09/03/2014

Attached DocumentsYou can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
668302300	KPK - Franklin Stermole Unit #1 (123-09052) (1)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424230
668302301	KPK - Franklin Stermole Unit #1 (123-09052) (2)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424231
668302302	KPK - Franklin Stermole Unit #1 (123-09052) (3)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424232
668302303	KPK - Franklin Stermole Unit #1 (123-09052) (4)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424233
668302304	KPK - Franklin Stermole Unit #1 (123-09052) (5)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424234
668302305	KPK - Franklin Stermole Unit #1 (123-09052) (6)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424235
668302306	KPK - Franklin Stermole Unit #1 (123-09052) (7)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424236
668302307	KPK - Franklin Stermole Unit #1 (123-09052) (8)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424237
668302308	KPK - Franklin Stermole Unit #1 (123-09052) (9)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424238
668302309	KPK - Franklin Stermole Unit #1 (123-09052) (10)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424239
668302310	KPK - Franklin Stermole Unit #1 (123-09052) (11)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424240
668302311	KPK - Franklin Stermole Unit #1 (123-09052) (12)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424241
668302312	KPK - Franklin Stermole Unit #1 (123-09052) (13)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424242
668302313	KPK - Franklin Stermole Unit #1 (123-09052) (14)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424243
668302314	KPK - Franklin Stermole Unit #1 (123-09052) (15)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424244
668302315	KPK - Franklin Stermole Unit #1 (123-09052) (16)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424245

668302316	KPK - Franklin Stermole Unit #1 (123-09052) (17)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424246
668302317	KPK - Franklin Stermole Unit #1 (123-09052) (18)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424247
668302318	KPK - Franklin Stermole Unit #1 (123-09052) (19)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424248
668302319	KPK - Franklin Stermole Unit #1 (123-09052) (20)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424249
668302320	KPK - Franklin Stermole Unit #1 (123-09052) (21)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424250
668302321	KPK - Franklin Stermole Unit #1 (123-09052) (22)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424251
668302322	KPK - Franklin Stermole Unit #1 (123-09052) (23)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424252
668302323	KPK - Franklin Stermole Unit #1 (123-09052) (24)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424253
668302324	KPK - Franklin Stermole Unit #1 (123-09052) (25)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424254
668302325	KPK - Franklin Stermole Unit #1 (123-09052) (26)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3424255

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)