

**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:  
10/27/2014Document Number:  
668302927

Overall Inspection:

**ACTION REQUIRED****FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	242341	318866	JOHNSON, RANDELL	<input type="checkbox"/>	

**Operator Information:**OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 16000 DALLAS PARKWAY #875City: DALLAS State: TX Zip: 75248-

- ☒ 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
Eisterhold, Rachael	918-585-1650 X-212	regulatory@foundationenergy.com	Regulatory

**Compliance Summary:**QtrQtr: SWNE Sec: 36 Twp: 2N Range: 67W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
12/30/2013	600000553	PR	SI	<b>ACTION REQUIRED</b>	P		No
03/10/2011	662000010						No
12/15/1999	200002078	PR	PR	SATISFACTORY		Pass	No
09/26/1999	500165193	PR	PR				
08/30/1996	500165192	PR	PR				
06/27/1996	500165191	PR	PR				

**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
103470	PIT		09/23/1999		-	KIYOTA 1 (2 ALSO SAME)	<input type="checkbox"/>
242341	WELL	PR	05/03/1981	OW	123-10132	FUNAKOSHI 2	SI <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	<b>ACTION REQUIRED</b>	Weeds on lease access road/See attached photos on last page of document	Mow lease access road	11/27/2014

**Signs/Marker:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
CONTAINERS	<b>ACTION REQUIRED</b>	Containers on wellhead location do not have the required contents and NFPA labeling/See attached photos on last page of document	Install sign to comply with rule 210.	<b>11/27/2014</b>
WELLHEAD	SATISFACTORY			
TANK LABELS/PLACARDS	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
TRASH	<b>ACTION REQUIRED</b>	Trash on wellhead location/See attached photos on last page of document	Remove trash	11/27/2014
WEEDS	<b>ACTION REQUIRED</b>	Weeds on lease access road/See attached photos on last page of document	Remove weeds	11/27/2014
WEEDS	<b>ACTION REQUIRED</b>	Weeds on wellhead location/See attached photos on last page of document	Remove weeds	11/27/2014
WEEDS	<b>ACTION REQUIRED</b>	Weeds on battery location/See attached photos on last page of document	Remove weeds	11/27/2014

<b>Spills:</b>				
Type	Area	Volume	Corrective action	CA Date
PW/CO	WELLHEAD	<= 5 bbls	Remove or remediate hardened/contaminated soil around wellhead/See attached photos on last page of document	11/27/2014

☐ Multiple Spills and Releases?

<b>Fencing:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
PUMP JACK		Angle-iron and wire mesh fencing		
SEPARATOR	SATISFACTORY	Square tube fencing		

<b>Equipment:</b>					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Pump Jack	1	ACTION REQUIRED	Unused pumpjack/See attached photos on last page of document	Remove unused equipment	12/27/2014
Ancillary equipment	1	ACTION REQUIRED	Unused electrical breaker panel/See attached photos on last page of document	Remove unused equipment	12/27/2014
Prime Mover	1	ACTION REQUIRED	Unused electric motor/See attached photos on last page of document	Remove unused equipment	12/27/2014
Gas Meter Run	1	SATISFACTORY			
Ancillary equipment	1	ACTION REQUIRED	Unused electrical meter box/See attached photos on last page of document	Remove unused equipment	12/27/2014
Ancillary equipment	2	ACTION REQUIRED	Unused electrical transformers/See attached photos on last page of document	Remove unused equipment	12/27/2014
Horizontal Heated Separator	1	SATISFACTORY			

<b>Facilities:</b>				
<input type="checkbox"/> New Tank		Tank ID: _____		
Contents	#	Capacity	Type	SE GPS
CRUDE OIL	1	300 BBLS	STEEL AST	40.096430,-104.839270
S/A/V:	SATISFACTORY	Comment:		
Corrective Action:				Corrective Date:

<b>Paint</b>	
Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____

Inspector Name: JOHNSON, RANDELL

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
NO	

**Flaring:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 242341

**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: 242341 Type: WELL API Number: 123-10132 Status: PR Insp. Status: SI

**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: \_\_\_\_\_

S/A/V: \_\_\_\_\_ CA Date: \_\_\_\_\_

CA: \_\_\_\_\_

Comment: Shut in since January 2014

**BradenHead**

Comment: Bradenhead is not plumbed to the surface as required/See attached photos on last page of document

CA: Bradenhead must be plumbed to the surface to accomodate monitoring and inspection.

CA Date: 11/27/2014

**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: \_\_\_\_\_

**Water Well:**

DWR Receipt Num: \_\_\_\_\_ Owner Name: \_\_\_\_\_ GPS : \_\_\_\_\_ Lat \_\_\_\_\_ Long \_\_\_\_\_

**Field Parameters:**

Sample Location: \_\_\_\_\_

Emission Control Burner (ECB): N \_\_\_\_\_

Comment: \_\_\_\_\_

Pilot: \_\_\_\_\_ Wildlife Protection Devices (fired vessels): YES \_\_\_\_\_

**Reclamation - Storm Water - Pit****Interim Reclamation:**

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: \_\_\_\_\_

Comment: \_\_\_\_\_

1003a. Debris removed? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Waste Material Onsite? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Unused or unneeded equipment onsite? In CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Pit, cellars, rat holes and other bores closed? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Guy line anchors removed? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Guy line anchors marked? \_\_\_\_\_ CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

1003b. Area no longer in use? In \_\_\_\_\_ Production areas stabilized ? In \_\_\_\_\_

1003c. Compacted areas have been cross ripped? \_\_\_\_\_

Inspector Name: JOHNSON, RANDELL

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? In  
Production areas have been stabilized? In 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

**Attached Documents**

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

Document Num	Description	URL
668302928	Foundation - Funakoshi 2 (123-10132) (1)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469030">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469030</a>
668302929	Foundation - Funakoshi 2 (123-10132) (2)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469031">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469031</a>
668302930	Foundation - Funakoshi 2 (123-10132) (3)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469032">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469032</a>
668302931	Foundation - Funakoshi 2 (123-10132) (4)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469033">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469033</a>
668302932	Foundation - Funakoshi 2 (123-10132) (5)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469034">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469034</a>
668302933	Foundation - Funakoshi 2 (123-10132) (6)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469035">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469035</a>
668302934	Foundation - Funakoshi 2 (123-10132) (7)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469036">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469036</a>
668302935	Foundation - Funakoshi 2 (123-10132) (8)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469037">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469037</a>
668302936	Foundation - Funakoshi 2 (123-10132) (9)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469038">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469038</a>
668302937	Foundation - Funakoshi 2 (123-10132) (10)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469039">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469039</a>
668302938	Foundation - Funakoshi 2 (123-10132) (11)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469040">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469040</a>
668302939	Foundation - Funakoshi 2 (123-10132) (12)	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469041">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3469041</a>



## **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.)