

**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
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Inspection Date:  
11/04/2014

Document Number:  
667500301

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>233379</u>	<u>316946</u>	<u>AXELSON, JOHN</u>	<input type="checkbox"/>	

**Operator Information:**

OGCC Operator Number:	<u>101101</u>
Name of Operator:	<u>SAGA PETROLEUM LIMITED LIABILITY CO OF CO</u>
Address:	<u>600 17TH ST STE 1700N</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>

- 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
John Axelson		john.axelson@state.co.us	
Rob Young		rob.young@state.co.us	
Dunham, Tyson	(307) 388-2290	tdunham@sagapetroleum.com	
Reis, Jaimie	(303) 996-7766 X304	jreis@sagapetroleum.com	

**Compliance Summary:**

QtrQtr:	<u>SWNE</u>	Sec:	<u>26</u>	Twp:	<u>3S</u>	Range:	<u>51W</u>
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Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/07/2014	673705257			SATISFACTORY	P		No
05/30/2014	673703725	PR	PR	<b>ACTION REQUIRED</b>	I		No
11/13/2012	667500091			<b>ACTION REQUIRED</b>			No
11/02/2009	200221475	ES	AO	<b>ACTION REQUIRED</b>			Yes
11/08/2007	200122113	PR	PR	SATISFACTORY			No
09/18/2007	200119061	PR	PR	<b>ACTION REQUIRED</b>			Yes
10/15/2005	200078901	PR	PR	SATISFACTORY		Pass	No
09/18/1995	500158275	PR	PR			Pass	No
05/17/1995	500158274	PR	PR				No

**Inspector Comment:**

Inspection was performed to determine status of Remediation #6744. Remediation originated from intentional disposal of tank bottoms on lease roads on 4/29/11. Operator scraped up tank bottoms and impacted soil and submitted Form 27 for land treatment of waste 11/30/11. Form 27 was conditionally approved with anticipated completion date proposed by operator of "late 2012." No extension was requested by operator. Waste materials still stockpiled in original location. Material is stained and locally saturated with oil. Oil is accumulating in lowspots in stockpile. Berms are not adequate to control stormwater migration. Sediment is migrating from stockpile onto adjacent land. Appears to be fresh oily waste added to the east end of the stockpile. Current dimensions: approximately 30' x 100' x 4', estimated volume 444 cubic yards. Liner material is a woven plastic fabric material that is not impervious. Land treatment is not being performed in compliance with Rule 907.e.(2) requirements. See corrective actions.

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
117552	PIT		09/23/1999		-	JONES DUPREE	<input type="checkbox"/>
233379	WELL	PR	05/19/1987	OW	121-05415	JONES-DUPREE 1	EI <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**

Emergency Contact Number (S/A/V): \_\_\_\_\_ Corrective Date: \_\_\_\_\_

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

Corrective Action: \_\_\_\_\_

**Good Housekeeping:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WEEDS	ACTION REQUIRED	Weeds have not been controlled around stockpiled waste.	Control weeds.	11/30/2014

**Spills:**

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

**Venting:**

Yes/No	Comment

**Flaring:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 233379

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/AV:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

**S/AV:** \_\_\_\_\_ **Comment:** \_\_\_\_\_

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Wildlife BMPs:**

**S/AV:** \_\_\_\_\_ **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: 233379 Type: WELL API Number: 121-05415 Status: PR Insp. Status: EI

**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 _____
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**Field Parameters:** \_\_\_\_\_

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

<b>Waste Management:</b>					
Type	Management	Condition	Comment	GPS (Lat)	(Long)
Oily Tank Bottoms	Land Treatment	Inadequate	Approximately 444 cubic yards oily waste generated from tank bottoms. Still contains oil saturated material.	39.768798	- 103.054439

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
Berms	Fail					

S/A/V: **ACTION REQUIRED** Corrective Date: **11/30/2014**

Comment: Berms around oily waste stockpile related to Rem #6744 inadequate to contain stormwater or sediment migration. Stockpile still contains oil saturated material with oil collecting in low areas.

CA: Immediately dispose of entire stockpile of oily waste at a licensed commercial disposal facility. Collect confirmation samples below former stockpile location and surrounding stockpile to verify that all remaining soils comply with Table 910-1 standards. Analyze all samples for TPH - DRO & GRO and PAHs. Submit waste disposal documentation, sample location diagram, summary of results compared to Table 910-1 standards and laboratory report to close remediation project #6744.

**Pits:**  NO SURFACE INDICATION OF PIT

**COGCC Comments**

Comment	User	Date
COGCC requires Saga to provide disposal documentation in accordance with Rule 907.b.(2) for all tank bottoms generated from their operations in the Rush Willadel field between 5/1/2011 and 11/4/14. Submit no later than 11/30/14.	axelsonj	11/14/2014

**Attached Documents**

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

Document Num	Description	URL
667500302	Oily waste stockpile looking NE	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486080">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486080</a>
667500303	Oily waste stockpile looking E	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486081">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486081</a>
667500304	Clods of dirt within stockpile	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486082">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486082</a>
667500305	Oil accumulating in low areas	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486083">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486083</a>
667500306	Sediment transport along north berm	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486084">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486084</a>
667500307	Oily waste recently added to east end of stockpile	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486085">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486085</a>
667500308	South berm stockpile	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486086">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3486086</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.)