

**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:  
01/30/2015

Document Number:  
670900020

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>241770</u>	<u>318635</u>	<u>Peterson, Tom</u>	<input type="checkbox"/>	

**Operator Information:**

OGCC Operator Number:	<u>10112</u>
Name of Operator:	<u>FOUNDATION ENERGY MANAGEMENT LLC</u>
Address:	<u>16000 DALLAS PARKWAY #875</u>
City:	<u>DALLAS</u> State: <u>TX</u> Zip: <u>75248-</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
Eisterhold, Racheal	918-585-1650 ext 212	regulatory@foundationenergy.com	

**Compliance Summary:**

QtrQtr: NWSW Sec: 23 Twp: 1N Range: 67W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
09/09/2013	668300751	PR	PR	SATISFACTORY	P		No
05/20/2009	200211012	PR	PR	<b>ACTION REQUIRED</b>			
01/14/2003	200033329	PR	PR	SATISFACTORY		Pass	No
01/24/2002	200024156	CO	PR	SATISFACTORY		Pass	No
01/24/2002	200024181	CO	PR	SATISFACTORY		Pass	No
12/27/2001	200024179	CO	PR	SATISFACTORY		Pass	No
12/18/2001	200022824	CO	PR	SATISFACTORY		Pass	No
06/01/1999	500164510	CO	PR				
05/14/1999	500164509	CO	PR				
04/23/1996	500164508	PR	SI				

**Inspector Comment:**

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
241770	WELL	PR	11/17/1996	OW	123-09559	TANG 1	PR	<input checked="" type="checkbox"/>

**Equipment:**

Location Inventory

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Inspector Name: Peterson, Tom

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**

<b>Signs/Marker:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY			
BATTERY	SATISFACTORY			
TANK LABELS/PLACARDS	<b>ACTION REQUIRED</b>	Incomplete placarding on produced water vault	Install sign to comply with rule 210.	<b>03/20/2015</b>

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

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

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

<b>Good Housekeeping:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	<b>ACTION REQUIRED</b>	Unused drip pot inside of pumpjack base	Remove drip pot	03/20/2015

<b>Spills:</b>				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	<= 5 bbls	Remove or remediate stained soil inside of berm around crude oil tank and produced water vault. Remove or remediate stained soil in front of berm area. Repair all leaks.	02/13/2015
Crude Oil	WELLHEAD	<= 5 bbls	Remove or remediate stained soil around wellhead. Repair all leaks.	02/13/2015
Crude Oil	Tank	<= 5 bbls	Remove or remediate stained soil in front of berm area. ( less than 1 bbl )	02/13/2015

Multiple Spills and Releases?

<b>Fencing/:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
PUMP JACK	SATISFACTORY	Expanded metal panel		

<b>Facilities:</b>				
<input type="checkbox"/> New Tank		Tank ID: _____		
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER		<100 BBLs	PBV FIBERGLASS	
S/A/V:	<b>ACTION REQUIRED</b>	Comment: Produced water vault has been uplifted out of the ground		
Corrective Action:	Repair produced water vault. Secure as necessary in flood plain. Add cover on hatch to prevent wildlife entry.			Corrective Date: 03/20/2015

Inspector Name: Peterson, Tom

<b>Paint</b>				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
<b>Berms</b>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Insufficient	Base Sufficient	Inadequate
Corrective Action	Rebuild berms			Corrective Date 03/13/2015
Comment	Berms have been knocked down			

<b>Venting:</b>	
Yes/No	Comment
YES	Pressure relief valve is venting on production tank

<b>Flaring:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 241770

**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: 241770 Type: WELL API Number: 123-09559 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

**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): Y \_\_\_\_\_

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

Pilot: ON \_\_\_\_\_ 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? Pass 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? \_\_\_\_\_ 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? \_\_\_\_\_

Inspector Name: Peterson, Tom

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
Gravel	Pass	Gravel	Pass			

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
670900021	Stained soil outside of berm leading to waterway	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541057">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541057</a>
670900022	Stained soil inside of berm and uplifted water vault	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541058">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541058</a>
670900023	Water vault	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541059">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541059</a>
670900024	Improper placarding and no hatch cover on vault	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541060">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541060</a>
670900029	Wellhead and flowline leaks, stained soil	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541061">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541061</a>
670900030	Wellhead leaks and drip pot inside unit base	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541062">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3541062</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.)