

**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:  
03/09/2015

Document Number:  
670900271

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>239848</u>	<u>317716</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
		<u>regulatory@foundationenergy.com</u>	

**Compliance Summary:**

QtrQtr: SWNW Sec: 20 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)
02/25/2009	200205940	PR	PR	SATISFACTORY			No
11/20/2003	200046794	PR	PR	SATISFACTORY		Pass	No
02/28/2001	200014514	PR	PR	SATISFACTORY		Pass	No
02/08/2001	200014624	PR	PR	SATISFACTORY		Pass	No
03/03/1999	500161521	PR	PR			Pass	No
02/07/1996	500161520	PR	PR			Pass	No

**Inspector Comment:**

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
239848	WELL	PR	01/24/1996	OW	123-07636	TEETS-PERRIN 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**

<b>Signs/Marker:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	ACTION REQUIRED	Incomplete placarding on produced water vault	Install sign to comply with rule 210.	05/11/2015
WELLHEAD	SATISFACTORY			
BATTERY	SATISFACTORY			
OTHER	SATISFACTORY	Lease road entrance		

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
STORAGE OF SUPL	ACTION REQUIRED	Unused fencing poles (2) at pumpjack.	Utilize or remove poles	05/11/2015

<b>Spills:</b>				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Separator	<= 5 bbls	Remove or remediate stained soil (<1 bbl )around separator. Repair all leaks. See attached photo.	05/11/2015
Crude Oil	Truck Loadout	<= 5 bbls	Remove or remediate stained soil (<1 bbl ) below crude oil tank load valve. Repair all leaks. See attached photo	05/11/2015
Crude Oil	WELLHEAD	<= 5 bbls	Remove or remediate stained soil (<1 bbl ) in wellhead cellar. Repair all leaks. See attached photo.	05/11/2015
Crude Oil	Separator	<= 5 bbls	Remove or remediate stained soil (< 1 bbl ) below ECD burner. Repair all leaks. See attached photo.	05/11/2015
Crude Oil	Gathering Line	<= 5 bbls	Remove or remediate stained soil (<1 bbl ) around compressor. Repair all leaks. See attached photo.	05/11/2015
Crude Oil	Flow Line	<= 5 bbls	Remove or remediate stained soil (<1 bbl ) at wellhead flowline. Repair all leaks. See attached photo.	05/11/2015

Multiple Spills and Releases?

<b>Fencing/:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
PUMP JACK	SATISFACTORY	Barbed wire		
TANK BATTERY	SATISFACTORY	Barbed wire		

<b>Equipment:</b>					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Prime Mover	2	SATISFACTORY	Electric motors on pumpjack and compressor		
Deadman # & Marked	2	SATISFACTORY			

Emission Control Device	1	SATISFACTORY	N40.12739 W-104.92080		
Pump Jack	1	SATISFACTORY			
Ancillary equipment	3	SATISFACTORY	Electric service panels		
Bird Protectors	1	SATISFACTORY			
Ancillary equipment	1	ACTION REQUIRED	Culvert over underground flowline manifold. See attached photo.	Add cover over culvert to prevent accidental/wildlife entry	05/11/2015
Compressor	1	ACTION REQUIRED	Compressor belt guard is laying on the ground. N 40.12739 W-104.92056	Install belt guard	05/11/2015
Horizontal Heated Separator	1	ACTION REQUIRED	Access cover on separator burner is open. N40.12740 W-104.92073	Install cover on separator burner to prevent wildlife entry. See attached photo.	05/11/2015
Gas Meter Run	1	SATISFACTORY			
Flow Line	5	SATISFACTORY			

**Facilities:**  New Tank Tank ID: \_\_\_\_\_

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	OTHER	PBV FIBERGLASS	40.127800,-104.920620

S/A/V: SATISFACTORY	Comment: Unknwn capacity
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Corrective Action:	Corrective Date:
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Paint

Condition	Adequate
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Other (Content) \_\_\_\_\_

Other (Capacity) \_\_\_\_\_

Other (Type) \_\_\_\_\_

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficent	Base Sufficient	Adequate

Corrective Action	Corrective Date
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Comment
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**Facilities:**  New Tank Tank ID: \_\_\_\_\_

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	1	300 BBLS	STEEL AST	40.127800,-104.920620

S/A/V: SATISFACTORY	Comment: Shared battery location with Kerr Mc Gee API #123-19586
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Corrective Action:	Corrective Date:
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Paint

Condition	Adequate
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Other (Content) \_\_\_\_\_

Other (Capacity) \_\_\_\_\_

Other (Type) \_\_\_\_\_

Inspector Name: Peterson, Tom

Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

<b>Venting:</b>		
Yes/No	Comment	
NO		

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

**Predrill**

Location ID: 239848

**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: 239848 Type: WELL API Number: 123-07636 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? Fail CM Wellhead cellar is uncovered. See attached photo.

CA Add cover to wellhead cellar CA Date 05/11/2015

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

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

Guy line anchors marked? Pass 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
670900273	Compressor	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565906">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565906</a>
670900274	Stained soil around compressor	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565907">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565907</a>
670900275	Compressor belt guard on ground	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565908">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565908</a>
670900276	Stained soil around separator	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565909">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565909</a>
670900277	Open cover on separator burner assembly	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565910">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565910</a>
670900278	Stained soil below ECD burner	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565911">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565911</a>
670900279	Stained soil below crude oil tank load valve	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565912">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565912</a>

670900280	Open culvert	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565913">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565913</a>
670900281	Stained soil at wellhead loadline	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565914">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565914</a>
670900282	Uncovered wellhead cellar	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565915">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565915</a>
670900283	Unused fencing poles	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565916">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565916</a>
670900284	Stained soil in wellhead cellar	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565917">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3565917</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.)