

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:
03/20/2015

Document Number:
674601587

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>214887</u>	<u>325494</u>	<u>Maclaren, Joe</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>74975</u>
Name of Operator:	<u>SAN MARCO PETROLEUM INC</u>
Address:	<u>240 MILWAUKEE ST STE 1000</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80206-</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
Marco, San		sanmarcopetr@cs.com	

Compliance Summary:

QtrQtr: NESW Sec: 2 Twp: 33N Range: 13W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/19/2005	200075368	PR	PR	SATISFACTORY		Pass	No
07/28/2005	200074244	PR	PR	SATISFACTORY		Pass	No
07/26/2005	200074232	PR	PR	ACTION REQUIRED		Fail	Yes

Inspector Comment:

Photo's have been uploaded and can be accessed via link(s) at end of report.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
214887	WELL	PR	01/27/2015	GW	067-06491	WEST ALKALI GULCH 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		Significant erosion/ rutting on lease road observed; Maintenance will be required in near future.		

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
CONTAINERS	ACTION REQUIRED	Chemical injection poly tanks do not have proper labeling.	Install sign to comply with rule 210.	06/01/2015
BATTERY	ACTION REQUIRED	No tank signage in place on any of (2) steel AST tanks this location.	Install sign to comply with rule 210.	06/01/2015

Emergency Contact Number (S/A/V): ACTION Corrective Date: 04/06/2015

Comment: No answer/ no call back when EMC dialed (voicemail left) on 3/24/15.

Corrective Action: Maintain working 24 hr operator emergency contact number; or change well sign and add proper contact information (contact will be made by COGCC in future). Must be able to contact operator at all times.

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	ACTION REQUIRED	Several unused/ unlabeled chemical injection systems/ drums on location.	Remove equipment if no longer required for well operations; or put back into service.	06/01/2015
TRASH	ACTION REQUIRED	Misc trash including rusted pipe fittings, valves, tubing etc observed in berm area, around wellhead and equipment.	Remove all trash and unused materials from location.	06/01/2015

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

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
LOCATION	SATISFACTORY	Post and Wire		

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Horizontal Heated Separator	1	SATISFACTORY			

Deadman # & Marked	3	ACTION REQUIRED	Several rig anchors are not marked.	Properly mark all existing rig anchors on well pad; or properly remove all rig anchors.	06/01/2015
Flow Line	1	SATISFACTORY			
Plunger Lift	1	SATISFACTORY			

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
	2		STEEL AST	37.131830,-108.230490

S/A/V:		Comment:	No signage at battery.
Corrective Action:		Corrective Date:	

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	Unarmored berm walls will need to be raised in future (to meet COGCC capacity requirements).		

Venting:

Yes/No	Comment
	H2S may be present at this location.

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 214887

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: 214887 Type: WELL API Number: 067-06491 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): _____
 Comment: _____
 Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: Old/ subsided berm area near horizontal separator in need of removal/ recontouring.

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Fail CM _____

CA Remove unused equipment CA Date 06/01/2015

Pit, cellars, rat holes and other bores closed? _____ CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? Fail CM _____

CA Mark all anchors CA Date 06/01/2015

1003b. Area no longer in use? _____ Production areas stabilized ? Pass

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

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? Pass 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? _____ I _____

Inspector Name: Maclaren, Joe

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					

S/A/V: _____ Corrective Date: _____

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
674601595	Production tanks requiring signage	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3575744
674601596	Unused equipment/ trash	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3575745
674601597	Existing access road	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3575746
674601598	Old/ subsided earthen berm area	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3575747

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.)