

**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:
04/18/2015Document Number:
667400631

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	311343	311343	ALLISON, RICK	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10373Name of Operator: NGL WATER SOLUTIONS DJ LLCAddress: 3773 CHERRY CRK NORTH DR #1000City: DENVER State: CO Zip: 80209

- ☐ 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
GOTTLOB, PAUL		paul.gottlob@iptenergyservice.com	Regulatory Agent
Patterson, Joshua		joshua.patterson@nglep.com	NGL Water Solutions
Deranleau, Greg		greg.deranleau@state.co.us	COGCC Environmental Manager
Axelson, John		john.axelson@state.co.us	COGCC Environmental Supervisor
Precup, Jim		james.precup@state.co.us	COGCC Field Inspection Supervisor
Barbare, Heather		hbarbare@weldgov.com	Weld County Dept of Environment

Compliance Summary:QtrQtr: SWSE Sec: 26 Twp: 6N Range: 65W**Inspector Comment:**COGCC Environmental Staff Inspection of produced water and oil release related to fire on 4/17/2015; spill facility ID 441564**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
150057	UIC DISPOSAL	AC	09/09/1985	DSPW	-	NGL FACILITY C4	AC	<input type="checkbox"/>
159415	UIC DISPOSAL	AC	03/22/2013	DSPW	-	NGL FACILITY C4A	AC	<input type="checkbox"/>
244653	WELL	SI	01/29/2015	DSPW	123-12448	NGL C4	EI	<input checked="" type="checkbox"/>
429587	WELL	IJ	01/15/2015	DSPW	123-35841	NGL C4A	IJ	<input type="checkbox"/>
441564	SPILL OR RELEASE	AC	04/22/2015		-	SPILL/RELEASE POINT	EI	<input checked="" type="checkbox"/>

Equipment:**Location Inventory**

Inspector Name: ALLISON, RICK

Special Purpose Pits: _____	Drilling Pits: <u>2</u>	Wells: <u>2</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>20</u>	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: <u>6</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Emergency Contact Number (S/A/V): _____

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?

Venting:

Yes/No	Comment
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Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
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Predrill

Location ID: 311343

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	allisonr	Location is in a sensitive area because of shallow groundwater; therefore, either a lined drilling pit or closed loop system is required.	02/23/2012
OGLA	allisonr	If drill cuttings will be land applied, then a Waste Management Plan meeting the general requirements of Rule 907.a. must be submitted for the land application of drill cuttings. Submit the Waste Management Plan on a Form 4 Sundry Notice via email to ogccenvirosundry@state.co.us prior to drilling.	02/23/2012

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: 244653 Type: WELL API Number: 123-12448 Status: SI Insp. Status: EI

Facility ID: 441564 Type: SPILL OR API Number: - Status: AC Insp. Status: EI

Environmental

Inspector Name: ALLISON, RICK

Spills/Releases:

Type of Spill: WATER Description: produced water/oil Estimated Spill Volume: _____

Comment: Corrective Action Date pertains to the submittal of a Supplement Spill Report within 10 days of a release, as required by Rule 906.b. Operator is in compliance with 24-hour and 72-hour spill reporting requirements.

Corrective Action: Submit Supplement Spill Report per Rule 906.b. within 10 days Date: 04/27/2015

Reportable: YES GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

Lat _____ Long _____

DWR Receipt Num: _____ Owner Name: _____ GPS : _____

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: INDUSTRIAL, IRRIGATED

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? _____

Inspector Name: ALLISON, RICK

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: INDUSTRIAL

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

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>The Operator reported a spill resulting from a lightning strike and fire at the disposal facility verbally to COGCC on 4/17/2015 and submitted the Initial Spill Report on 4/20/2015. COGCC Environmental Staff visited the location on 4/18/2015 and met with Weld County Department of Health and Environmental Staff and NGL Staff to observe current cleanup efforts of released E&P Waste from the fire that occurred at the facility on 4/17/2015.</p> <p>The fire had reignited and was burning at one tank inside the concrete lined secondary containment structure. Greeley Fire Department was on standby, and the Operator and Greeley Fire Department were allowing the fire to burn itself out before proceeding with cleanup of the location.</p> <p>All fluids that migrated offsite in the ditches were removed overnight the night of 4/17 – 4/18 via vacuum truck. There were no fluids in the ditches the morning of 4/18/2015. COGCC did not observe any significant impacts of crude oil or produced water off location. Belfor was onsite and began cleanup of residual product in the ditches nearest the location.</p> <p>Any remaining liquid was on location and was confined to the concrete secondary containment or onsite stormwater collection system.</p> <p>A storm water detention pond on the site was overwhelmed during the firefighting effort by a combination of stormwater, released fluids, including the contents of three tanker trucks that were onsite at the time, and fire fighting fluids. This mixture migrated in the field irrigation ditches, eventually toward the intersection of CR 47 & CR 62, where COGCC and Weld County had documented the presence of free phase oil the evening of 4/17/2015. This fluid has since been recovered.</p> <p>The immediate plan was to:</p> <ol style="list-style-type: none"> 1. Continue to obtain site security and provide for containment at the location. The Operator should be able to contain any further runoff from the location to the onsite stormwater detention pond, but reinforce and block the outlets. 2. Belfor will walk the irrigation ditches and scrap any residual product in the ditches with shovels and collect soil confirmation samples. Initial samples in the more heavily impacted areas will be for the full 910-1 parameters. 3. Belfor will collect tank debris from the surrounding fields. 4. Once the fire has burned out, the Operator can access the location and remove any remaining fluid. <p>A COGCC Form 19 Initial Spill Report was due on 4/20/2015 – see Form 19 Document#400827801. A COGCC Form 19 Supplemental Spill Report is due 4/27/2015.</p>	allisonr	04/22/2015

Attached Documents

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

Document Num	Description	URL
667400632	Ditch on CR 47, near CR62 downgradient of site	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3595458
667400633	Field ditch on CR47, near ~CR62.5	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3595459
667400634	Ditch on S side CR 64, near Disposal facility	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3595460
667400635	Impact to Ag Land east of Disposal facility	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3595461
667400637	Fluids in onsite stormwater system	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3595462

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.)