

Inspector Name: Peterson, Tom

**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:
05/07/2015Document Number:
670900785

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	203617	321527	Peterson, Tom	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10383Name of Operator: SOVEREIGN OPERATING COMPANY LLCAddress: 475 17TH STREET #1200City: DENVER State: CO Zip: 80202

- ☐ 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
Metzger, Tom	(303) 297-0347	tsmetz@aol.com	All Inspections
Clasen, Stephanie	(303) 297-0347	sclasen@bsegllc.com	All inspections

Compliance Summary:QtrQtr: SENE Sec: 4 Twp: 1S Range: 68W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/21/2014	668302864	PR	SI	SATISFACTORY	I		No
04/19/2012	667600210	PR	PR	SATISFACTORY			No
05/05/2010	200247322	PR	PR	ACTION REQUIRED			Yes
12/10/2009	200233581	PR	PR	ACTION REQUIRED			Yes
01/07/2008	200201864	PR	PR	ACTION REQUIRED			Yes
01/19/1994	500133421		SI				
12/10/1993	500133415		WO				

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
203617	WELL	PR	12/31/2007	GW	014-09177	HULSTROM 'G' UNIT 1	PR	<input checked="" type="checkbox"/>
430011	WELL	XX	08/19/2014	LO	014-20715	HULSTROM 31-4	XX	<input type="checkbox"/>
430284	WELL	XX	09/19/2014	LO	014-20731	HULSTROM 32-4	XX	<input type="checkbox"/>
430285	WELL	XX	09/19/2014	LO	014-20732	HULSTROM 41-4	XX	<input type="checkbox"/>
430286	WELL	XX	09/19/2014	LO	014-20733	HULSTROM 4A	XX	<input type="checkbox"/>
430404	WELL	XX	10/07/2014	LO	014-20740	MEMORIAL 11-3	XX	<input type="checkbox"/>

430405	WELL	XX	10/07/2014	LO	014-20741	MEMORIAL 12-3	XX	
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Equipment:Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>7</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>2</u>	Separators: <u>3</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>1</u>	Oil Tanks: <u>4</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location**Lease Road:**

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Main	ACTION REQUIRED	Lease road has been damaged due to rain and vehicle traffic. See attached photos.	Repair lease road, add BMP's to control erosion.	06/30/2015

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY			
BATTERY	SATISFACTORY			
OTHER	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	ACTION REQUIRED	Old plungers on ground next to wellhead and backpressure valve on ground next to separator. See attached photos.	Utilize or remove unused equipment.	06/30/2015

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	WELLHEAD	<= 5 bbls	Remove or remediate stained soil (< 1 bbl) below wellhead master valve. Repair all leaks. See attached photo.	06/30/2015

☐ Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	ACTION REQUIRED	Panel fencing around wellhead has been disassembled. See attached photo.	Repair wellhead fencing	06/30/2015

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL		300 BBLS	STEEL AST	,

S/AV: ACTION REQUIRED Comment: Crude oil tank load line has been extended outside of berm containment. See attached photo.

Corrective Action: Shorten or remove loadline to a point inside of berm containment. Corrective Date: 06/30/2015

Paint

Condition	Adequate
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 _____

Venting:

Yes/No	Comment
NO	

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 203617

Site Preparation:

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____

Date: _____ CDP Num.: _____

Form 2A COAs:**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: 203617 Type: WELL API Number: 014-09177 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Bradenhead is exposed at surface.

CA: _____

CA Date: _____

Environmental**Spills/Releases:**

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

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: DRY LAND

Comment: _____

1003a. Debris removed? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? Pass CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? In 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

Inspector Name: Peterson, Tom

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: DRY LAND

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	Fail	Gravel	Fail			

S/A/V: **ACTION REQUIRED**

Corrective Date: **06/30/2015**

Comment: **Location area next to separator is eroding into adjoining drainage area, lease road has been damaged due to rain and vehicle traffic. See attached photos.**

CA: **Add BMP's to location and lease road to control erosion.**

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
670900786	Wellhead fencing	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3604534
670900787	Master valve and plungers	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3604535
670900788	Backpressure regulator next to separator	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3604536
670900789	Location erosion next to separator	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3604537

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670900790	Crude oil tank load line	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3604538
670900791	Lease road erosion	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3604539
670900792	Lease road erosion	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3604540
670900793	Location erosion next to separator	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3604541
670900794	Location erosion next to separator	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3604542

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.)