

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:
07/22/2015

Document Number:
679700009

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>251370</u>	<u>330480</u>	<u>ALLISON, RICK</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
Regulatory, Foundation		regulatory@foundationenergy.com	Regulatory Email
Grant, Rachel		rgrant@foundationenergy.com	
Jenkins, Steve		steve.jenkins@state.co.us	COGCC Engineer

Compliance Summary:

QtrQtr:	<u>SENV</u>	Sec:	<u>28</u>	Twp:	<u>8N</u>	Range:	<u>58W</u>
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Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
06/18/2015	667400693	PR	EI	ACTION REQUIRED			No
09/17/2014	673900504	PR	SI	ACTION REQUIRED			No
10/04/2006	200097966	PR	SI	ACTION REQUIRED		Fail	Yes
07/12/1998	500178690	PR	PR			Pass	No
10/04/1996	500178689	PR	PR			Fail	Yes
05/29/1996	500178688	DG	WO			Pass	No

Inspector Comment:

COGCC Environmental Inspection: Flowline Spill ID's 442140 and 442612.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
251370	WELL	PR	07/01/2013	OW	123-19173	SOONER UNIT 28-6-1	EI	<input checked="" type="checkbox"/>
442140	SPILL OR RELEASE	AC			-	SPILL/RELEASE POINT	EI	<input checked="" type="checkbox"/>
442612	SPILL OR RELEASE	AC			-	SPILL/RELEASE POINT	EI	<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

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

Comment: _____

Corrective Action: _____

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

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 251370

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: 251370 Type: WELL API Number: 123-19173 Status: PR Insp. Status: EI

Facility ID: 442140 Type: SPILL OR API Number: - Status: AC Insp. Status: EI

Facility ID: 442612 Type: SPILL OR API Number: - Status: AC Insp. Status: EI

Environmental

Spills/Releases:

Type of Spill: OIL Description: _____ Estimated Spill Volume: _____

Comment: _____

At least two releases have occurred and been reported on the flowline from the wellhead. Excavations are open at both release areas and oily waste is stockpiled adjacent the excavations. Excavations are filled with precipitation. Remove or treat soil. Provide stormwater controls around soil stockpiles until piles are removed or remediated and replaced. Each excavation requires a minimum of 1 soil sample from the bottom of each excavation and 1 soil sample from each sidewall of each excavation. All soil samples shall be analyzed for BTEX, TPH-GRO and TPH-DRO as well as ec, pH and SAR. Lat/long of first spill (442140) = 40.63805, -103.86568. Excavation is approximately 30x10 feet and an unknown depth. Soil remains in place below flowlines. A soil sample must be collected from the soil exhibiting greatest impact beneath the flowlines. Corrective action date above refers to date Supplemental Spill Report is due. Lat/long of second spill (442612) = 40.63913, -103.86437. Excavation is approximately 30x10 feet and an unknown depth. Excavation is filled with rainwater. Rainwater must be removed and handled in accordance with Rule 907 prior to collecting soil sample. Corrective action date above refers to date Supplemental Spill Report is due.

Corrective Action: Remediate and report spills per Rule 906 Date: 07/30/2015

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: _____

Waste Management:

Type	Management	Condition	Comment	GPS (Lat)	(Long)
Oily Soil	Piles	Inadequate	Stockpile at second spill (442612) requires stormwater control		

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: _____

- 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? _____

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: _____

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>At least two releases have occurred and been reported on the flowline from the wellhead. Excavations are open at both release areas and oily waste is stockpiled adjacent the excavations. Excavations are filled with precipitation. Remove or treat soil. Provide stormwater controls around soil stockpiles until piles are removed or remediated and replaced. Each excavation requires a minimum of 1 soil sample from the bottom of each excavation and 1 soil sample from each sidewall of each excavation. All soil samples shall be analyzed for BTEX, TPH-GRO and TPH-DRO as well as ec, pH and SAR.</p> <p>Lat/long of first spill (442140) = 40.63805, -103.86568. Excavation is approximately 30x10 feet and an unknown depth. Soil remains in place below flowlines. A soil sample must be collected from the soil exhibiting greatest impact beneath the flowlines. Corrective action date above refers to date Supplemental Spill Report is due.</p> <p>Lat/long of second spill (442612) = 40.63913, -103.86437. Excavation is approximately 30x10 feet and an unknown depth. Excavation is filled with rainwater. Rainwater must be removed and handled in accordance with Rule 907 prior to collecting soil sample. Corrective action date above refers to date Supplemental Spill Report is due.</p>	allisonr	07/24/2015

Attached Documents

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

Document Num	Description	URL
679700018	Excavation at spill 442612 looking NE	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3651146
679700019	Stockpile at spill 442612 looking SW	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3651147
679700020	Excavation at spill 442140 looking north	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3651148
679700021	Flowlines at spill 442140	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3651149

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.)