

Inspector Name: ALLISON, RICK

**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

Inspection Date:
07/22/2015Document Number:
679700031

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	245270	323461	ALLISON, RICK	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 16000 DALLAS PARKWAY #875City: DALLAS State: TX Zip: 75248-

- ☒ 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	

Compliance Summary:QtrQtr: NWNE Sec: 28 Twp: 8N Range: 58W

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	667400689	PR	EI	SATISFACTORY			No
05/08/2014	667400390	PR	EI	ACTION REQUIRED			No
10/10/2012	663300662	PR	PR	SATISFACTORY	P		No
06/17/2010	200255983	CO	PR	ACTION REQUIRED			Yes
03/03/2008	200127600	CO	PR	ACTION REQUIRED			Yes
10/04/2007	200119990	PR	PR	SATISFACTORY			No
09/21/2007	200119751	PR	UN	ACTION REQUIRED			Yes
10/04/2006	200097973	PR	PR	SATISFACTORY		Pass	No
12/20/2000	200012379	PR	PR	SATISFACTORY		Pass	No
03/14/1995	500169434	MI	AC			Pass	No

Inspector Comment:

COGCC followup inspection to production facility decommissioning. Provide COGCC a status for the remaining production equipment and pits by 8/31/2015. Remaining heater treater and Steel AST are not currently in use. Pit does not appear in use. Remove unused equipment from location and submit a Form 27 Site Investigation and Remediation Workplan for the closure of the produced water pit, skim pit and skim tank.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
245270	WELL	PR	12/13/2012	OW	123-13065	SOONER UNIT 2-28	EI	<input checked="" type="checkbox"/>

Equipment:Location Inventory

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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): _____ ACTION _____ Corrective Date: 08/31/2015

Comment: No sign is present for the production equipment or pit

Corrective Action: Install sign or remove all equipment, close pit and reclaim site in accordance with Rule 1004.

Spills:

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

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Veritcal Heater Treater	1		Heater Treater is disconnected		

Facilities:

☐ New Tank

Tank ID: _____

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

S/A/V: _____ Comment: Steel AST appears disconnected.

Corrective Action: _____ Corrective Date: _____

Paint

Condition: _____

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action: _____ Corrective Date: _____

Comment: _____

Venting:

Yes/No _____ Comment: _____

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 245270

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: 245270 Type: WELL API Number: 123-13065 Status: PR Insp. Status: EI

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:

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DWR Receipt Num:		Owner Name:	GPS :	Lat	Long
Field Parameters:					
Sample Location: _____					
Complaint:					
Tracking Num	Category	Assigned To	Description	Incident Date	
200256112	WEEDS	Horton, Colby	Noxious weeds (Diffuse knapweed) identified by neighboring landowner.	06/21/2010	
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

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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

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Pit Type: <u>Skimming/Settling</u>	Lined: <u>NO</u>	Pit ID: _____	Lat: _____	Long: _____
<u>Lining:</u>				
Liner Type: _____	Liner Condition: _____			
Comment: _____				
<u>Fencing:</u>				
Fencing Type: <u>Livestock</u>	Fencing Condition: _____			
Comment: _____				
<u>Netting:</u>				
Netting Type: <u>Fence/Net</u>	Netting Condition: _____			
Comment: _____				
Anchor Trench Present: _____	Oil Accumulation: <u>NO</u>	2+ feet Freeboard: _____		
Pit (S/A/V): <u>SATISFACTOR</u>	Comment:	Water is present in skim pit. Pit is not lined, so pit cannot be operated as a skim pit. A skim tank is present. Advise COGCC on status of production facility and skim pit/skim tank closure.		
Corrective Action: _____				Date: _____

Pit Type: <u>Produced Water</u>	Lined: <u>NO</u>	Pit ID: _____	Lat: _____	Long: _____
<u>Lining:</u>				
Liner Type: _____	Liner Condition: _____			
Comment: _____				
<u>Fencing:</u>				
Fencing Type: <u>Livestock</u>	Fencing Condition: <u>Adequate</u>			
Comment: _____				
<u>Netting:</u>				
Netting Type: _____	Netting Condition: _____			
Comment: <u>Produced water pit not netted</u>				
Anchor Trench Present: _____	Oil Accumulation: _____	2+ feet Freeboard: _____		
Pit (S/A/V): <u>SATISFACTOR</u>	Comment:	Water is present in pit. Advise COGCC on status of production facility and pit closure.		
Corrective Action: _____				Date: _____

Attached Documents

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

Document Num	Description	URL
679700032	Steel AST	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3651164
679700033	Vertical HT near former treater buildings	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3651165
679700034	Produced water pit/skim pit/skim tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3651166

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.)