

**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:  
07/27/2015

Document Number:  
674602144

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: 74975

Name of Operator: SAN MARCO PETROLEUM INC

Address: 240 MILWAUKEE ST STE 1000

City: DENVER State: CO Zip: 80206

- 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         |
|------------------|--------------|-----------------------------|-----------------|
| Sheridan, John   | 303-321-0100 | sanmarcopetr@cs.com         | All Inspections |
| Labowskie, Steve |              | steve.labowskie@state.co.us |                 |

**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) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 03/20/2015 | 674601587 | PR         | PR          | <b>ACTION REQUIRED</b>        | I        |                | No              |
| 08/19/2005 | 200075368 | PR         | PR          | SATISFACTORY                  |          | Pass           | No              |
| 07/28/2005 | 200074244 | PR         | PR          | SATISFACTORY                  |          | Pass           | No              |
| 07/26/2005 | 200074232 | PR         | PR          | <b>ACTION REQUIRED</b>        |          | Fail           | Yes             |

**Inspector Comment:**

Follow up field inspection photo's can be accessed via link 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**

| <b>Lease Road:</b> |                              |   |   |            |
|--------------------|------------------------------|---|---|------------|
| Type               | Satisfactory/Action Required | comment   | Corrective Action   | Date       |
| Access             | <b>ACTION REQUIRED</b>       | Significant stormwater erosion and rutting on well site access road observed; Road condition has worsened since previous inspection was conducted on 3/20/15. | Maintain lease access road; Impliment BMP's to minimize future well site access road degradation. | 10/01/2015 |

| <b>Signs/Marker:</b> |                              |   |  |                   |
|----------------------|------------------------------|---|--|-------------------|
| Type                 | Satisfactory/Action Required | Comment   | Corrective Action  | CA Date           |
| TANK LABELS/PLACARDS | <b>ACTION REQUIRED</b>       | No signage in place on (2) production tanks on NW corner of location. | <b>ACTION REQUIRED NOT COMPLETED;</b> Install sign to comply with rule 210. Must include operator name, emergency contact number, contents, tank capacity and NFPA labeling. | <b>06/01/2015</b> |

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

| <b>Good Housekeeping:</b> |                              |   |  |            |
|---------------------------|------------------------------|---|--|------------|
| Type                      | Satisfactory/Action Required | Comment   | Corrective Action  | CA Date    |
| UNUSED EQUIPMENT          | SATISFACTORY                 | Action Required Completed; Unused equipment has been removed from well pad. |  |            |
| WEEDS                     | <b>ACTION REQUIRED</b>       | Excessive weed growth observed on access road and on location.              | Control weeds; Mowing is an acceptable means of control. | 08/30/2015 |
| TRASH                     | SATISFACTORY                 | Action Required Completed; Trash has been removed from location.            |  |            |

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

| <b>Equipment:</b>  |   |                              |  |                   |         |
|--------------------|---|------------------------------|--|-------------------|---------|
| Type               | # | Satisfactory/Action Required | Comment  | Corrective Action | CA Date |
| Deadman # & Marked | 4 | SATISFACTORY                 | Action Required Completed; All Rig Anchors are marked. |                   |         |

**Facilities:**  New Tank Tank ID: \_\_\_\_\_

| Contents | # | Capacity | Type | SE GPS |
|----------|---|----------|------|--------|
|          |   |          |      |        |

|                    |  |  |                     |                  |                   |
|--------------------|--|--|---------------------|------------------|-------------------|
|                    |  | STEEL AST  |                     |                  |                   |
| S/A/V:             | <b>ACTION REQUIRED</b>   | Comment: <b>Open Thief Hatch Observed on Larger Tank (Steel AST); Open pipe collars at top of tanks.</b> |                     |                  |                   |
| Corrective Action: | <b>Close Thief Hatch(s) on Tanks; Plug open collars at top of tanks.</b> |  |                     | Corrective Date: | <b>08/06/2015</b> |
| <b>Paint</b>       |  |  |                     |                  |                   |
| Condition          |  |  |                     |                  |                   |
| Other (Content)    | _____  |  |                     |                  |                   |
| Other (Capacity)   | _____  |  |                     |                  |                   |
| Other (Type)       | _____  |  |                     |                  |                   |
| <b>Berms</b>       |  |  |                     |                  |                   |
| Type               | Capacity   | Permeability (Wall)  | Permeability (Base) | Maintenance      |                   |
| Earth              | Adequate   | Walls Sufficient   | Base Sufficient     | Adequate         |                   |
| Corrective Action  |  |  |                     | Corrective Date  |                   |
| Comment            | <b>Recent berm maintenance completed.</b>                                |  |                     |                  |                   |
| <b>Venting:</b>    |  |  |                     |                  |                   |
| Yes/No             | Comment  |  |                     |                  |                   |
| NO                 |  |  |                     |                  |                   |
| <b>Flaring:</b>    |  |  |                     |                  |                   |
| 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: \_\_\_\_\_

1003a. Debris removed? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Waste Material Onsite? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Unused or unneeded equipment onsite? Pass 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? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

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? \_\_\_\_\_ F \_\_\_\_\_

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
|                  |                 |                         |                       |               |                          |         |

S/A/V: **ACTION REQUIRED** Corrective Date: **10/01/2015**

Comment: **Significant stormwater erosion channeling and rutting on well site access road; Road condition has worsened since previous inspection was conducted on 3/20/15.**

CA: **Maintain lease access road; Impliment BMP's to minimize future well site access road degradation.**

**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   |
|--------------|-----------------------------|---|
| 674602147    | Follow Up Inspection Photos | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3653439">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3653439</a> |

## **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.)