

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:
10/08/2015

Document Number:
673402535

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>436676</u>	<u>436676</u>	<u>Waldron, Emily</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10450</u>
Name of Operator:	<u>EE3 LLC</u>
Address:	<u>4410 ARAPAHOE AVENUE #100</u>
City:	<u>BOULDER</u> State: <u>CO</u> Zip: <u>80303</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
Noto, John		john.noto@state.co.us	
Kellerby, Shaun		shaun.kellerby@state.co.us	
McClure, Rich		rmcclure@ee3llc.com	
Ashby, Andy		aashby@ee3llc.com	

Compliance Summary:

QtrQtr: SWSW Sec: 4 Twp: 6N Range: 80W

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
436676	LOCATION	AC	04/06/2014		-	Surprise Central Facility	AO <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>8</u>	Separators: <u>8</u>	Electric Motors: <u>8</u>
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>32</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: <u>1</u>	Flare: <u>1</u>	Fuel Tanks: _____

Location

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	SATISFACTORY			
TANK LABELS/PLACARDS	ACTION REQUIRED	2 crude oil tanks missing NFPA diamond.	Install sign to comply with rule 210.	10/19/2015

Inspector Name: Waldron, Emily

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

Comment: **720-387-7000**

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TRASH	ACTION REQUIRED	Trash present on location in several spots. Including but not limited to cardboard boxes, misc tubing and piping, misc insullation materials.	Keep location free from trash and debris.	11/13/2015

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
Bird Protectors		SATISFACTORY			
Horizontal Heated Separator	1	SATISFACTORY			
Flare	2	SATISFACTORY	One unenclosed flare and one enclosed flare. Both lit.		
Emission Control Device	1	SATISFACTORY			

Facilities:

New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	2	400 BBLS	STEEL AST	,

S/A/V: SATISFACTORY Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint

Condition Adequate

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate			Adequate

Corrective Action **Maintain berm to be at adequate capacity to comply with 600 series rules.** Corrective Date **10/05/2015**

Comment **Berm is low at loadouts.**

Facilities:

New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
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Inspector Name: Waldron, Emily

CRUDE OIL	6	400 BBLS	STEEL AST	40.515140,-106.387080
S/A/V:	SATISFACTORY		Comment:	
Corrective Action:				Corrective Date:
Paint				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate			Adequate
Corrective Action	Maintain berm to be at adequate capacity to comply with 600 series rules.			Corrective Date 10/05/2015
Comment	Berm is low at loadouts.			

Venting:	
Yes/No	Comment
NO	

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Field Flare	SATISFACTORY	Field flare and combuster. Both lit.		

Predrill				
Location ID:	436676			
Site Preparation:				
Lease Road Adeq.:	Pads:	Soil Stockpile:		
S/A/V:	_____			
Corrective Action:	Date:	CDP Num.:		
Form 2A COAs:				

Group	User	Comment	Date
OGLA	kubeczkd	<p>Operator must ensure secondary containment for any volume of fluids contained at central tank battery facility pad site during operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures sufficiently protective of nearby surface water. Any berm constructed at the tank battery facility pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.</p> <p>The facility pad shall be constructed as quickly as possible and appropriate BMPs need to be in place both during, after facility pad construction completion, as well as during all operations. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff.</p> <p>The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p> <p>All tanks and aboveground vessels containing fluids or chemicals used in the storage and transmission processes and operations must have secondary containment structures (which may include, but is not limited to, double-walled tanks). All secondary containment structures/areas must be lined. Operator must ensure 110 percent secondary containment for the largest structure containing fluids within each bermed area of the facility during operations. The construction and lining of the secondary containment structures/areas shall be supervised by a professional engineer or their agent.</p> <p>Additional containment shall be required where temporary or permanent pumps and other necessary equipment or chemicals are located.</p> <p>Operator will use adequately sized containment devices for all chemicals and/or hazardous materials stored or used on location and the facility shall comply with the operators SPCC Plan.</p> <p>Within 30 calendar days of conclusion of the initial grading and earthwork and facility equipment placement, operator shall submit as-built drawings, including plan view and cross-sections (with perpendicular axes), prepared and stamped by a Professional Land Surveyor or Professional Engineer; including the facility pad, location of all equipment and secondary containment, stormwater BMPs, and the access road.</p>	03/15/2014
OGLA	kubeczkd	<p>Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network.</p>	03/15/2014

OGLA kubeczkd	Notify the COGCC 48 hours prior to start of central tank battery facility pad construction, pipeline testing, and start of operations using Form 42 (the appropriate COGCC individuals will automatically be email notified). Surface water samples from the unnamed stream (one upgradient and one downgradient to the facility location) located approximately 675 feet to the east of the facility (if water is present), shall be collected prior to the facility use and every 12 months (until facility closure) to evaluate potential impacts from tank facility operations. At a minimum, the surface water samples will be analyze for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/DRO.	03/15/2014
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S/A/V: ACTION **Comment:** No as built drawings submitted. Well has been producing since July, not in compliance with COA requiring as built to be submitted 30 days after completion of facility construction. Berm around tanks is low at loadouts and flowlines, compromising capacity. No evidence of liner observed in berm.

CA: Comply with all COAs. Please provide records of pipeline testing to inspector via email emily.waldron@state.co.us or Form 4. Please provide sampling data from surface water samples via email or Form 4. **Date:** 11/13/2015

Wildlife BMPs:

BMP Type	Comment
Wildlife	1. Where oil and gas construction activities must occur within 4 miles of greater sage-grouse leks or within other mapped greater sage-grouse breeding or summer habitat, conduct these activities outside the period between March 1 and June 30. 2. Restrict site visitations to portions of the day between 9:00 a.m. and 4:00 p.m. during the lekking season (March 1 to May 15). 3. Operator will utilize a combustion chamber or enclosed flaring device for elimination of gases encountered during drilling and production. Avoiding traditional flaring techniques at this location will help mitigate the effects of fugitive light and noise on wildlife. 4. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads. Slow speeds and increased awareness among employees and contractors traveling to and from the site should help to reduce impacts. 5. Install raptor perch deterrents on equipment, fences, cross arms and pole tops in greater sage-grouse habitat. Furthermore, design tanks and other facilities with structures such that they do not provide perches or nest substrates for raptors, crows, and ravens.
Storm Water/Erosion Control	EE3 LLC will implement a storm water and erosion plan to prevent sedimentation and erosion.

S/A/V: ACTION **Comment:** Unenclosed flare in operation at time of inspection. COA 3 requires combustion chamber or enclosed flaring. No raptor perch deterrents observed as required by COA 5.

CA: Comply with all COAs. **Date:** 11/13/2015

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: 436676 Type: LOCATION API Number: - Status: AC Insp. Status: AO

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: RANGELAND

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: RANGELAND _____

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: **11/13/2015**

Comment: 2 topsoil piles with loose "berm" around perimeter. One on west side one on south side of location. No sediment migration noted.
 The topsoil piles have no visible protective measures to preserve it, evidence of wind and water erosion occurring.
 Compaction and gravel of location and access road with berming around equipment are only stormwater BMPs observed.

CA: Protect stockpiled soils from degradation.
 A stormwater plan utilizing appropriate and necessary BMPs shall be installed and maintained to prevent the migration of soil on pad, access roads and interim reclamation area. BMPs shall prevent site degradation from potential spills and/or releases from stored materials and equipment.

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Several Action Required items were noted in Environmental Inspection document number 669300886, the corrective action dates from that report remain the same in this one.	waldrone	10/15/2015

Attached Documents

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

Document Num	Description	URL
673402541	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3700490

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.)