

**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:  
10/08/2015Document Number:  
673402535

Overall Inspection:

**ACTION REQUIRED****FIELD INSPECTION FORM**

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

**Operator Information:**OGCC Operator Number: 10450Name of Operator: EE3 LLCAddress: 4410 ARAPAHOE AVENUE #100City: BOULDER State: CO Zip: 80303

- ☐ 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 Motors: _____	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	<b>ACTION REQUIRED</b>	2 crude oil tanks missing NFPA diamond.	Install sign to comply with rule 210.	<b>10/19/2015</b>

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 insulation materials.	Keep location free from trash and debris.	11/13/2015

**Spills:**

Type	Area	Volume	Corrective action	CA Date
------	------	--------	-------------------	---------

☐ 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
----------	---	----------	------	--------

Inspector Name: Waldron, Emily

CRUDE OIL	6	400 BBLS	STEEL AST	40.515140,-106.387080	
S/A/V:	SATISFACTORY		Comment:		
Corrective Action:					Corrective Date:
<b>Paint</b>					
Condition	Adequate				
Other (Content) _____					
Other (Capacity) _____					
Other (Type) _____					
<b>Berms</b>					
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.				

<b>Venting:</b>		
Yes/No	Comment	
NO		

<b>Flaring:</b>				
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	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.	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
------	----------	--	------------

**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	<ol style="list-style-type: none"> <li>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.</li> <li>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).</li> <li>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.</li> <li>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.</li> <li>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.</li> </ol>
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:

Inspector Name: Waldron, Emily

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	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3700490">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3700490</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.)