

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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| DE | ET | OE | ES |
|----|----|----|----|

Inspection Date:
10/28/2015

Document Number:
673402584

Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 212201 | 324631 | Waldron, Emily | <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@foundationenergy.com | All Inspections |

Compliance Summary:

QtrQtr: NWSE Sec: 26 Twp: 7N Range: 81W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 03/10/2015 | 673401880 | PR | SI | ACTION REQUIRED | | | No |
| 01/16/2015 | 669300169 | PR | EI | ACTION REQUIRED | | | No |
| 06/25/2014 | 673400689 | PR | PR | ACTION REQUIRED | | | No |
| 06/12/2014 | 668800050 | PR | PR | ACTION REQUIRED | F | | No |
| 10/23/2013 | 673400035 | PR | PR | ACTION REQUIRED | F | | No |
| 05/08/2012 | 662300474 | PR | PR | ACTION REQUIRED | | | No |
| 05/13/2011 | 200312576 | PR | PR | ACTION REQUIRED | | | Yes |
| 11/18/2010 | 200290318 | PR | PR | ACTION REQUIRED | | | Yes |
| 08/13/2003 | 200042782 | PR | PR | SATISFACTORY | | Pass | No |
| 08/14/2002 | 200030650 | ID | TA | ACTION REQUIRED | | Fail | Yes |
| 07/13/2000 | 200007956 | PR | PR | SATISFACTORY | | Pass | No |
| 08/03/1999 | 500143845 | PR | PR | | | Pass | No |
| 08/21/1998 | 500143849 | PR | PR | | | Pass | No |
| 07/25/1997 | 500143844 | PR | PR | | | Fail | Yes |
| 08/14/1996 | 500143843 | PR | PR | | | Pass | No |
| 07/10/1995 | 500143842 | PR | PR | | | Fail | Yes |
| 04/13/1995 | 500143841 | | | | | | |
| 09/07/1994 | 500143840 | | PR | | | Fail | Yes |
| 08/08/1994 | 500143839 | | PR | | | Fail | Yes |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------------------|--------|-------------|------------|-----------|------------------------|-------------|-------------------------------------|
| 159760 | SPILL OR RELEASE | AC | 04/14/2015 | | - | SPILL/RELEASE POINT | AC | <input type="checkbox"/> |
| 212201 | WELL | PR | 01/01/2011 | OW | 057-06094 | TITANIUM 26-10-7HI & 2 | 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

| Signs/Marker: | | | | |
|----------------------|------------------------------|--------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |
| WELLHEAD | SATISFACTORY | | | |
| BATTERY | SATISFACTORY | At entrance. | | |

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

Comment: 866-767-3600

Corrective Action: _____

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

| Equipment: | | | | | |
|---------------------------|---|------------------------------|----------------------|-------------------|---------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Deadman # & Marked | 4 | SATISFACTORY | | | |
| Bird Protectors | | SATISFACTORY | | | |
| Pump Jack | 1 | SATISFACTORY | | | |
| Vertical Heated Separator | 1 | SATISFACTORY | 40.54726, -106.44936 | | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------------|---|----------|----------------|-----------------------|
| PRODUCED WATER | 1 | | PBV FIBERGLASS | 40.547230,-106.449240 |

S/A/V: SATISFACTORY Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint

Inspector Name: Waldron, Emily

| | |
|------------------|----------|
| Condition | Adequate |
| Other (Content) | _____ |
| Other (Capacity) | _____ |
| Other (Type) | _____ |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------------------|----------|---------------------|---------------------|-----------------|
| Earth | | | | |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|--------------------|--------------|----------|-----------|-----------------------|
| CRUDE OIL | 2 | 500 BBLS | STEEL AST | 40.547020,-106.449450 |
| 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 | Adequate | | | Adequate |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

| | |
|-----------------|---------|
| Venting: | |
| Yes/No | Comment |
| NO | |

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

Predrill

Location ID: 212201

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: 212201 Type: WELL API Number: 057-06094 Status: PR Insp. Status: PR

Producing Well

Comment: Not currently pumping.

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? _____ 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|--|
| | | | | MHSP | Fail | Lube oil stored at wellhead without containment. |

S/A/V: **ACTION REQUIRED** Corrective Date: **10/28/2015**

Comment:

CA: **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 |
|--|----------|------------|
| Follow up to inspection from 3/10/2015 document number 673401880. All corrective actions have been met. Containment for lube oil is the only action required item from this inspection. | waldrone | 10/28/2015 |