

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



Inspection Date:
04/26/2016
Document Number:
675102435
Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>232418</u>	<u>316731</u>	<u>GRANAHAN, KYLE</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 56680
Name of Operator: MERRION OIL & GAS CORP
Address: 610 REILLY AVENUE
City: FARMINGTON State: NM Zip: 87401

- 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
Thompson, Philana	(505) 324-5300	pthompson@merrion.bz	
Thompson, Bud		BLThomps@BLM.gov	
Kellerby, Shaun		shaun.kellerby@state.co.us	
Burger, Craig		craig.burger@state.co.us	

Compliance Summary:

QtrQtr: SENV Sec: 17 Twp: 2N Range: 97W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/03/2015	675101700	PR	SI	ACTION REQUIRED	I		No
10/07/2014	675100497	PR	SI	ACTION REQUIRED			No
07/25/2011	200316320	PR	SI	ACTION REQUIRED			Yes
07/15/2006	200100509	SR	WO	ACTION REQUIRED		Fail	Yes
12/10/2002	200035623	PR	PR	ACTION REQUIRED		Pass	No

Inspector Comment:

In regards to inspection doc # 675101700, corrective actions HAVE been implemented. Production records still indicate well has been SI since Aug 2012 - workover on location. Ryan and Carl w/Merrion on location to PA well - while attempting to blow well down to nipple up; The pressure inside the 4 1/2" casing would not blow down and began to produce oil/water/gas - currently running well through heated separator charting oil/water and sending to tank battery while charting gas and sending to a blow down tank until they can get their sales line unlocked. Merrion thinks the 4 1/2" casing is producing from an old squeezed perf section @ 14488'-15070'. Bottom of 4 1/2" casing is isolated by an inflatable packer set @ 15232'. No known communication between casing - Tubing inside pressure was 1000psi, 4 1/2" inside pressure was 190psi and flowing, 7" inside pressure 520psi. Did not have surface/bradenhead pressures available at time of inspection.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
232418	WELL	SI	09/01/2012	GW	103-66126	LLOYD-FEDERAL 22-X-17	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

Lease Road:				
Type	Satisfactory/Action Required	comment	Corrective Action	Date

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			
WELLHEAD	SATISFACTORY			

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

Comment: 505-324-5300

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

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

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Equipment:					
Type: Horizontal Heated Separator	# 1	Satisfactory/Action Required:	SATISFACTORY		
Comment					
Corrective Action				Date:	
Type: Deadman # & Marked	# 4	Satisfactory/Action Required:	SATISFACTORY		
Comment					
Corrective Action				Date:	
Type: Gas Meter Run	# 2	Satisfactory/Action Required:	SATISFACTORY		
Comment					

Corrective Action		Date:
Type: Bird Protectors	# 2	Satisfactory/Action Required: SATISFACTORY
Comment		
Corrective Action		Date:
Type: Pump Jack	# 1	Satisfactory/Action Required: SATISFACTORY
Comment		
Corrective Action		Date:
Type: Veritcal Heater Treater	# 1	Satisfactory/Action Required: SATISFACTORY
Comment		
Corrective Action		Date:

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	STEEL AST	
S/AR	SATISFACTORY		Comment: Shares same containment as crude tanks	
Corrective Action:				Corrective Date:

Paint

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

Berms

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

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2	400 BBLS	STEEL AST	40.144380,-108.303450
S/AR	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	Walls Sufficent	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

Venting:	
Yes/No	YES
Comment	Gas has been separated and run through gas meter and being dumped into a drip/vent tank

Flaring:			
Type		Satisfactory/Action Required	
Comment:			
Corrective Action:		Correct Action Date:	

Predrill

Location ID: 232418

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AR: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

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: <u>232418</u>	Type: <u>WELL</u>	API Number: <u>103-66126</u>	Status: <u>SI</u>	Insp. Status: <u>PR</u>
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Producing Well

Comment: Ryan and Carl w/Merrion on location to PA well - while attempting to blow down well to nipple up; The pressure inside the 4 1/2" casing would not blow down and began to produce oil/water/gas - currently running well through heated separator charting oil/water and sending to tank battery while charting gas and sending to a blow down tank until they can get their sales line unlocked. Merrion thinks the 4 1/2" casing is producing from an old squeezed perf section @ 14488'-15070'. Bottom of 4 1/2" casing is isolated by an inflatable packer set @ 15232'.

Workover

Comment: Hayes Workover rig set up on location with Duco INC cementing equipment on location.

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. Waste and Debris removed? 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 marked? Pass
 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
		Gravel	Pass			
Compaction	Pass					
		Ditches	Pass			
Gravel	Pass					
		Compaction	Pass			

Inspector Name: GRANAHAN, KYLE

S/A/V: SATISFACTOR

Corrective Date: _____

Y

Comment: **No evidence of sediment flow present**

CA: _____

Pits: NO SURFACE INDICATION OF PIT