

**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:
	232418	316731	GRANAHAH, KYLE	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 56680Name of Operator: MERRION OIL & GAS CORPAddress: 610 REILLY AVENUECity: 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

Inspector Name: GRANAHAHAN, KYLE

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
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☐ 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: Vertical 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 Sufficient	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: 232418 Type: WELL API Number: 103-66126 Status: SI Insp. Status: PR

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:

Lat _____ Long _____
 DWR Receipt Num: _____ Owner Name: _____ GPS : _____

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 REVEGETATIONCropland

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