

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:
05/19/2016
Document Number:
685200143
Overall Inspection:
ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>224405</u>	<u>313544</u>	<u>LABOWSKIE, STEVE</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>56680</u>
Name of Operator:	<u>MERRION OIL & GAS CORP</u>
Address:	<u>610 REILLY AVENUE</u>
City:	<u>FARMINGTON</u> State: <u>NM</u> Zip: <u>87401</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
Weems, Mark		mark.weems@state.co.us	
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
Mattox, Jen		jennifer.mattox@state.co.us	
Andrews, Dave		david.andrews@state.co.us	
Thompson, Philana	(505) 324-5300	pthompson@merrion.bz	
Ash, Margaret		margaret.ash@state.co.us	

Compliance Summary:

QtrQtr:	<u>SWSE</u>	Sec:	<u>25</u>	Twp:	<u>39N</u>	Range:	<u>19W</u>
---------	-------------	------	-----------	------	------------	--------	------------

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/17/2015	667700681	PR	PR	ACTION REQUIRED			No
12/09/2014	674601297	PR	PR	ACTION REQUIRED			No
10/18/2012	668200227	PR	PR	SATISFACTORY			No
04/16/2012	664000479	PR	PR	ACTION REQUIRED	P		No
03/02/1999	500155176	PR	PR			Pass	No

Inspector Comment:

Emission controls have been installed and production resumed with vented gas now being flared. Annual renewal of venting is now required per Rule 912 policy effective 1/16/2016 (see COGCC website). Any flaring of natural gas requires notification of LGD or Emergency Response/fire dept. See "housekeeping", "flaring" and "inspector comments" sections for corrective actions and dates.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
224405	WELL	PR	08/04/2003	GW	083-06470	LANIER FARMS 34-25 1	PR

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
OTHER	SATISFACTORY	warning/authorized personnel only		
WELLHEAD	SATISFACTORY			
CONTAINERS	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			

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

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	ACTION REQUIRED	oilys soils still observed in 8"X20" area around piping inside tank berms. Tank berms also has vegetation growth. (impacted materials cited in 8/17/15 inspection, overspray outside berms has been cleaned up).	maintain berms per Rule 605.a (4)	07/01/2016
UNUSED EQUIPMENT	ACTION REQUIRED	open top tank now appears to be no longer in use	remove equipment if not intended for use on lease within 6 months per Rule 603.f (see guidance document for further details)	07/01/2016
OTHER	ACTION REQUIRED	oily/impacted material in area whee pumpjack was removed	clean up potential pollutant source per Rule 1002.f(2)d	07/01/2016

Spills:

Type	Area	Volume	Corrective action	CA Date

Multiple Spills and Releases?

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

Equipment:				
Type: Flare	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:
Type: Vertical Separator	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:
Type: Plunger Lift	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:
Type: Other	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment	combuster			
Corrective Action				Date:
Type: Flow Line	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:
Type: Pump Jack	# 0	Satisfactory/Action Required:		
Comment	pumping unit not in use removed			
Corrective Action				Date:
Type: Bird Protectors	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:
Type: Deadman # & Marked	# 4	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:
Type: Other	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment	line heater			
Corrective Action				Date:

Facilities:				
<input type="checkbox"/> New Tank	Tank ID: _____			
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	OTHER	FIBERGLASS AST	,
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	
Corrective Action				Corrective Date
Comment				

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2	400 BBLS	STEEL AST	,

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	see "housekeeping" section			

Venting:

Yes/No	YES
Comment	sales line not present, well unloads with plunger-lift cycle, gas is diverted to combustion and vertical open flare

Flaring:

Type	Ignitor/Combustor	Satisfactory/Action Required	ACTION REQUIRED
Comment:	Demonstrate compliance (in writing) for rule 912 flaring notification (LGD or Emergency Response), no notification when COGCC checked with LGD and Emergency Manager. Also follow up with APCD if open flare is allowed post completion		
Corrective Action:	Notify LGD or Emergency Responders of flaring of gas per Rule 912	Correct Action Date:	06/03/2016

Predrill

Location ID: 224405

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: 0 Type: _____ API Number: - Status: _____ Insp. Status: _____

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? _____

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 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
Berms	Pass					
Compaction	Pass	Compaction	Pass			

S/A/V: SATISFACTOR Corrective Date: _____
 Y _____

Comment: see "housekeeping" section for corrective action for clean-up/waste disposal of impacted material where pumpjack was removed

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments		
Comment	User	Date
Rule 912 requires notification of LGD or Emergency Response within 2 hours of any flaring of natural gas. As of 5/24/2016 notification had not been recieved by authorities.	labowsks	06/01/2016
Sundry Notice to vent/flare gas from previous operator was approved 6/4/1986. COGCC adopted policy for Rule 912 1/16/2016 that requires annual renewal of approval to vent and not sell gas. Follow up with SW Regional Engineer Mark Weems.	labowsks	06/01/2016

Attached Documents

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

Document Num	Description	URL
685200143	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3868665
685200144	open flare	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3868659
685200145	open top tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3868660
685200146	impacted material in tank berms	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3868661
685200147	impacted material where pumpjack was	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3868662

685200148	combuster	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3868663
-----------	-----------	---