

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:
05/31/2016
Document Number:
673713231
Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|-----------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>273818</u> | <u>335625</u> | <u>Sherman, Susan</u> | <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 |
|-------------------|-------|---------------------------------|---------|
| Quint, Craig | | craig.quint@state.co.us | |
| Foundation Energy | | regulatory@foundationenergy.com | |

Compliance Summary:

| QtrQtr: <u>NENE</u> Sec: <u>31</u> Twp: <u>1N</u> Range: <u>45W</u> | | | | | | | |
|---------------------------------------------------------------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
| 02/01/2016 | 673712530 | | | SATISFACTORY | | | No |
| 06/23/2015 | 673710738 | IJ | AC | ACTION REQUIRED | | | No |
| 06/02/2014 | 673703740 | IJ | AC | SATISFACTORY | | | No |
| 09/04/2013 | 664001243 | IJ | IJ | SATISFACTORY | | | No |
| 07/18/2012 | 663300316 | IJ | IJ | SATISFACTORY | I | | No |
| 06/30/2011 | 200314658 | MI | AC | SATISFACTORY | | | No |
| 06/15/2010 | 200255968 | RT | AC | SATISFACTORY | | | No |
| 07/09/2009 | 200214585 | RT | AC | SATISFACTORY | | | No |
| 04/18/2008 | 200130512 | RT | AC | SATISFACTORY | | | No |
| 03/06/2007 | 200106611 | RT | AC | SATISFACTORY | | Pass | No |
| 09/26/2006 | 200097958 | MI | PD | SATISFACTORY | | Pass | No |
| 01/11/2006 | 200094776 | MI | SI | SATISFACTORY | | Pass | No |
| 05/02/2005 | 200070516 | MI | PD | SATISFACTORY | | Pass | No |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|--------------|--------|-------------|------------|---------|---------------|-------------|
| 100996 | PIT | CL | 09/23/1999 | | - | TUSTIN 41-31 | CL |
| 159133 | UIC DISPOSAL | CL | 10/20/2006 | | - | LEDET SWD #2 | CL |

Inspector Name: Sherman, Susan

| | | | | | | | | |
|--------|--------------|----|------------|------|-----------|--------------------------|----|-------------------------------------|
| 159162 | UIC DISPOSAL | AC | 08/25/2006 | | - | LEDET SWD 2 - DKTA/LYONS | AC | <input type="checkbox"/> |
| 253743 | WELL | PR | 09/13/2007 | GW | 125-07621 | TUSTIN 41-31 | PR | <input type="checkbox"/> |
| 273818 | WELL | IJ | 11/04/2014 | DSPW | 125-08932 | BROWN SWD 2 | AC | <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 |
|----------------------|------------------------------|--------------------------------|-------------------|---------|
| OTHER | SATISFACTORY | lease sign @ CR 30 and at gate | | |
| WELLHEAD | SATISFACTORY | | | |
| CONTAINERS | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |
| BATTERY | SATISFACTORY | | | |

Emergency Contact Number (S/AR): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

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

Spills:

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

Multiple Spills and Releases?

Fencing/:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|--------------|------------------------------|----------------------------------------------------------|-------------------|---------|
| WELLHEAD | SATISFACTORY | steel panels | | |
| TANK BATTERY | SATISFACTORY | barbed wire around tank battery and compressor equipment | | |

| | | | |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|--------------|
| Equipment: | | | |
| Type: Other | # 3 | Satisfactory/Action Required: | SATISFACTORY |
| Comment | two triplex pumps and one transfer pump in shed | | |
| Corrective Action | | Date: | |
| Type: Ancillary equipment | # 7 | Satisfactory/Action Required: | SATISFACTORY |
| Comment | shed and electric panel at wellhead; radio telemetry, solar panels, chemical containers, enardo valves on all tanks and fire extinguishers at tank battery/compressor station | | |
| Corrective Action | | Date: | |
| Type: Gas Meter Run | # 1 | Satisfactory/Action Required: | SATISFACTORY |
| Comment | shed, GPS 40.01719, -102.43829, digital | | |
| Corrective Action | | Date: | |
| Type: Emission Control Device | # 1 | Satisfactory/Action Required: | SATISFACTORY |
| Comment | located north of condensate and produced water tanks, 24" on concrete pad, GPS 40.01667, -102.43867, pilot light on-not venting | | |
| Corrective Action | | Date: | |
| Type: Compressor | # 1 | Satisfactory/Action Required: | SATISFACTORY |
| Comment | located north of produced water and condensate tanks. Includes: JT Skid/separator; dehydrator unit; glycol unit; 2-151 BBL, FG, slop tanks each with metal berms; 3700 BBL methanol tank with metal berms-GPS 40/01710, -102.43867 and several chemical containers that are labeled and with secondary containment (see attached photos). | | |
| Corrective Action | | Date: | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|--------------------|--------------|------------------|-------------|------------------------------------|
| OTHER | 1 | OTHER | BV CONCRETE | , |
| S/AR | SATISFACTORY | | Comment: | Slop Oil pit in front of pump shed |
| Corrective Action: | | Corrective Date: | | |

Paint

| | |
|------------------|----------|
| Condition | |
| Other (Content) | _____ |
| Other (Capacity) | 560 gals |
| 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 |
|--------------------|--------------|------------------|-----------|--------|
| CONDENSATE | 2 | 300 BBLS | STEEL AST | , |
| S/AR | SATISFACTORY | | Comment: | |
| Corrective Action: | | Corrective Date: | | |

Paint

Inspector Name: Sherman, Susan

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
|-------------------|------------------------------------|---------------------|---------------------|-----------------|--|
| | | | | | |
| Corrective Action | | | | Corrective Date | |
| Comment | same berms as produced water tanks | | | | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS | |
|--------------------|--------------|----------|----------------|-----------------------|--|
| PRODUCED WATER | 4 | 400 BBLS | FIBERGLASS AST | 40.016410,-102.438710 | |
| 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 | |
|-------------------|----------|---------------------|---------------------|-----------------|--|
| Metal | Adequate | Walls Sufficent | Base Sufficient | Adequate | |
| Corrective Action | | | | Corrective Date | |
| Comment | | | | | |

Venting:

| | |
|---------|-----------------------------|
| Yes/No | YES |
| Comment | venting from dehy unit pipe |

Flaring:

| | | | | |
|--------------------|--|------------------------------|----------------------|--|
| Type | | Satisfactory/Action Required | | |
| Comment: | | | | |
| Corrective Action: | | | Correct Action Date: | |

Predrill

Location ID: 273818

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

S/AR: _____

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

Form 2A COAs:

S/AR: SATISFACTORY **Comment:** No COAs.

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: 273818 Type: WELL API Number: 125-08932 Status: IJ Insp. Status: AC

Underground Injection Control

UIC Violation: _____

Maximum Injection Pressure: _____

UIC Routine

Inj./Tube: Pressure or inches of Hg _____
(e.g. 30 psig or -30" Hg)

Previous Test Pressure _____

MPP _____

Inj Zone: MRSN

TC: Pressure or inches of Hg _____

Previous Test Pressure _____

Last MIT: 06/30/2011

Brhd: Pressure or inches of Hg _____

Previous Test Pressure _____

AnnMTReq: _____

Comment: _____

Method of Injection: _____

Test Type: _____

Tbg psi: _____

Csg psi: _____

BH psi: _____

Insp. Status: _____

Comment: **SI during test.**
Initial tubing and casing 0.
Start MIT 800 psi
5 min-800 psi
10 min-800 psi
15 min-800 psi.
Final tubing and casing pressure 0.
PASS MIT.
Form 42 #401046803.

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: **pasture**

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? Pass

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 |
| | | | | SR | Pass | |
| Gravel | Pass | Gravel | Pass | MHSP | Pass | |
| Compaction | Pass | Compaction | Pass | SI | Pass | |

S/A/V: SATISFACTOR
Y

Corrective Date: _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

| COGCC Comments | | |
|---------------------------------------------------------|----------|------------|
| Comment | User | Date |
| UIC MIT PASSED. Operator to check formation on Form 21. | ShermaSe | 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 |
|--------------|--------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 673713231 | INSPECTION APPROVED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3869144 |
| 673713241 | Foundation Brown SWD 2 UIC MIT | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3869126 |
| 673713242 | Foundation Brown Compressor Location | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3869127 |