

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:
06/02/2016
Document Number:
685200154
Overall Inspection:
ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>214887</u>	<u>325494</u>	<u>LABOWSKIE, STEVE</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 74975
Name of Operator: SAN MARCO PETROLEUM INC
Address: 240 MILWAUKEE ST STE 1000
City: DENVER State: CO Zip: 80206-

- 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	
Sheridan, John	303-321-0100	sanmarcopetr@cs.com	All Inspections
St John, William (Cal)		cal.stjohn@state.co.us	
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	

Compliance Summary:

QtrQtr: NESW Sec: 2 Twp: 33N Range: 13W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/27/2015	674602144	PR	PR	ACTION REQUIRED	I		No
03/20/2015	674601587	PR	PR	ACTION REQUIRED	I		No
08/19/2005	200075368	PR	PR	SATISFACTORY		Pass	No
07/28/2005	200074244	PR	PR	SATISFACTORY		Pass	No
07/26/2005	200074232	PR	PR	ACTION REQUIRED		Fail	Yes

Inspector Comment:

Inspection conducted with COGCC SW Inspector Cal St. John. Location marked as designated H2S location. FLIR survey conducted from safe upwind direction and outside location fence. FLIR camera documented venting gas from both tanks on location. Without required gas analysis staff is uncertain the level of H2S safety required to conduct a more in depth inspection of equipment and flowline. See housekeeping, interim reclamation and inspectors comments for corrective actions and dates. Some corrective actions from previous inspections have been performed, some not adequately performed and there are new corrective actions pertaining to H2S requirements and flowline integrity testing.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
214887	WELL	PR	01/27/2015	GW	067-06491	WEST ALKALI GULCH 1	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
Access	SATISFACTORY	Erosion problem appears to have been resolved/actions performed. Note: Steep section of access is rocky and only passable with high clearance four-wheel drive vehicle.		

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	SATISFACTORY	corrective actions from previous inspection satisfactorily performed		
OTHER	SATISFACTORY	H2S warning signs before location on access and on location		
WELLHEAD	SATISFACTORY			

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

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TRASH	SATISFACTORY	location clear of trash and debris		

WEEDS	ACTION REQUIRED	Similar conditions on location cited on previous inspection, CA date retained from previous inspection, thistles and other noxious weed observed. Weeds along access corrective action appears to have been performed although some new grow observed.	control weeds on location per Rule 603.f and promote desirable vegetation in areas undergoing revegetation(see 603.f guidance document for further details) see uploaded photos via link on attachment page.	08/30/2016
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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
LOCATION	SATISFACTORY			

Equipment:

Type: Bird Protectors	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment			
Corrective Action	Date:		
Type: Other	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment	wellhead		
Corrective Action	Date:		
Type: Horizontal Heated Separator	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment			
Corrective Action	Date:		
Type: Flow Line	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment	above ground, sectioned with hammer unions, see inspectors comments at end of report		
Corrective Action	Date:		

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CONDENSATE	1	400 BBLS	STEEL AST	,
S/AR	ACTION REQUIRED	Comment:	thief hatch not locked down and sealed, chipped paint and bare metal spots observed	
Corrective Action:	fully close and latch thief hatch as soon as possible per Rule 604.a(9) same conditions noted in previous inspection			Corrective Date: 08/06/2015

Paint

Condition	Adequate
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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				

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	OTHER	STEEL AST	,
S/AR	SATISFACTORY	Comment:	tank venting gas from hatch area, does not appear to have lid. Venting confirmed with FLIR camera, footage uploaded and available via link on attachemnt page. Some chipped and bare metal spots, tank vulnerable to corrosion due to H2S	

Corrective Action:		Corrective Date:	
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Paint

Condition	Adequate
Other (Content)	_____
Other (Capacity)	210 bbls
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	
Comment	Both condensate and produced water tank are venting gas. Documented with FLIR GF-320 gasfinder camera. No reradily detectable gas leaks or venting observed at distance from wellhead, separator and flowline.

Flaring:

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

Predrill

Location ID: 214887

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: 214887 Type: WELL API Number: 067-06491 Status: PR Insp. Status: PR

Producing Well

Comment: PR - last production in database Nov 2015, well was producing at time of inspection

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? Fail

CM _____

CA remove wire rope section on west side of location (see photo) per Rule 1003.a CA Date 07/11/2016

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 ? Pass

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

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? I

Comment: Interim reclamation area appears weedy with multiple varieties and undesireables

Overall Interim Reclamation In Process

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
Compaction	Pass	Compaction				
Other	Pass					

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

Y _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
ADDITIONAL CORRECTIVE ACTION: Demonstrate compliance in writing of Rule 607.c (no gas analysis found in COGCC well file, no notification on record with La Plata County LGD). Rule 607.c requires submission of gas analysis to COGCC and LGD notification for all wells with presence of H2S greater than 1 ppm. See Rule 607 policy for more information. Note: warnig and danger signs before location on access and on location indicate a presence of H2S. CA date = 624/2016	labowsks	06/08/2016
ADDITIONAL CORRECTIVE ACTION/REQUEST FOR INFORMATION: Due to corrosive nature of sour gas, length of flowline above ground and a number of visible hammer unions, demonstrate compliance with annual flowline testing per Rule 1101.e. Follow-up with flowline integrity engineer lead Mark Shlagenhauf within 30 days of receipt of this report	labowsks	06/09/2016
REQUEST FOR INFORMATION: Explain where gas is being metered and custody is changing, gathering system used and where, if and how gas is being sweetened (H2S removed) within 30 days of receipt of this report.	labowsks	06/09/2016

Attached Documents

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

Document Num	Description	URL
685200155	open thief hatch on condensate tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875309
685200156	wire rope in interim rec area	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875310
685200157	weedy interim rec area	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875311
685200158	weedy revegetation both sides of loc fence	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875312
685200159	FLIR footage venting produced water tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875313
685200160	FLIR footage condensate tank venting	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875314
685200161	thistles at entrance to loc	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875315
685200162	flowline	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875316