

**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	<b>ACTION REQUIRED</b>	I		No
03/20/2015	674601587	PR	PR	<b>ACTION REQUIRED</b>	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	<b>ACTION REQUIRED</b>		<b>Fail</b>	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	<b>ACTION REQUIRED</b>	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
-------	------------------------	--	--	------------

**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	<b>ACTION REQUIRED</b>	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
<b>Paint</b>				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
<b>Berms</b>				

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:	
--------------------	--	------------------	--

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: \_\_\_\_\_

<b>Water Well:</b>	Lat	Long
DWR Receipt Num: _____	Owner Name: _____	GPS : _____
<b>Field Parameters:</b>		
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

<b>COGCC Comments</b>		
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
685200154	INSPECTION APPROVED	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875318">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875318</a>
685200155	open thief hatch on condensate tank	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875309">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875309</a>
685200156	wire rope in interim rec area	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875310">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875310</a>
685200157	weedy interim rec area	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875311">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875311</a>
685200158	weedy revegetation both sides of loc fence	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875312">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875312</a>
685200159	FLIR footage venting produced water tank	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875313">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875313</a>
685200160	FLIR footage condensate tank venting	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875314">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875314</a>
685200161	thistles at entrance to loc	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875315">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875315</a>
685200162	flowline	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875316">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3875316</a>