

**FORM  
INSP**Rev  
X/15**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:

11/07/2016

Submitted Date:

11/16/2016

Document Number:

675000014

**FIELD INSPECTION FORM**
 Loc ID 311770 Inspector Name: ANDREWS, DAVE On-Site Inspection ☐ 2A Doc Num:
**Status Summary:**

- ☒ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED

**Findings:**

14 Number of Comments

1 Number of Corrective Actions

- ☒ Corrective Action Response Requested

**Operator Information:**

OGCC Operator Number: 51922

Name of Operator: LYSTER OIL COMPANY INC

Address: 701 COUNTY ROAD 105

City: CRAIG State: CO Zip: 81625

**Contact Information:**

Contact Name	Phone	Email	Comment
Kellerby, Shaun		shaun.kellerby@state.co.us	COGCC Field Inspection Supervisor
Andrews, Dave	970-625-2497 x1	david.andrews@state.co.us	COGCC Western Region Engineering Supervisor
Lyster, Larry	970-824-6854	lysteroil@yahoo.com	
Beck, Joe	970-878-3826	jabeck@blm.gov	BLM WRFO Petroleum Engineering Technician
Waldron, Emily	970-819-9609	emily.waldron@state.co.us	COGCC Field Inspector
Lyster, Brandon	970-326-7533	bllysteroil@aol.com	
Ash, Margaret		margaret.ash@state.co.us	COGCC Field Inspection Manager
Thompson, Bud	970-878-3828	blthomps@blm.gov	BLM WRFO Petroleum Engineering Technician

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
223471	WELL	PR	11/08/2006	OW	081-06837	ELK SPRINGS UNIT 4	PR

**General Comment:**

Dave Andrews (COGCC Engineering) and Emily Waldron (COGCC Field Inspection) met operator representative, Brandon Lyster, to review Heater Treater (also denoted as "separator" on previous COGCC field inspections) setback to a produced water tank located in a common, bermed containment area. A comment on COGCC's 9/27/2016 FIR #673403680 stated "Follow up to inspection from 8/25/2016 document number 673403550. Separator setback is only outstanding issue." This 10/7/2016 inspection included a review of the separation equipment configuration and process for the Elk Springs Unit 4 well (FLIR video and photographs taken), but it did not include inspection of other facilities on the pad, and it did not include inspection of the Elk Springs Unit 3 well (081-06472) or associated production equipment. Both wells share the same well pad, but they are considered different Locations in COGIS. COGCC's 9/27/2016 Field Inspection Report #673403680 stated, "Separator is approximately 15 feet from heated produced water tank. Corrective Action: Move equipment to comply with minimum 75 foot setback as per Rule 605.a.5. by 5/6/2015 [Corrective Action date originally cited on COGCC's 4/6/2015 FIR #673401981]." COGCC staff advised Mr. Lyster that staff would consider approval of a Rule 502.b. variance to the setback requirement if the heater treater vent pipe is routed to a safe location further away from the ignition sources on the heater treater and the heated produced water tank. Following internal COGCC staff consultation after the field inspection, staff agreed that routing the vent pipe to the crude oil tank area (two 400-bbl tanks within a separate berm west of the heater treater and produced water tank area) would be acceptable for a rule variance. Mr. Lyster contacted BLM on 11/14/2016 to confirm that the new vent pipe configuration would be acceptable on this Federal surface - Federal mineral location. Operator is advised to submit a COGCC Form 4 Rule 502.b. Variance Request. Variance requirements are available on COGCC's website under Regulation/Operator Guidance/Rule 502.b: Variance Requirements (references in the guidance to Form 2, Form 2A, and waivers mentioned in Step 12 and Step 13 do not apply in this case).

**Location**Overall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: Overall Good: ☐**Spills:**

Type	Area	Volume		

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Equipment:**

Type: Vertical Heater Treater	# 1		corrective date
Comment:	On location to observe venting from heater treater and discuss an alternate configuration of the vent pipe from the heater treater. The new configuration setback variance and corrective action timing will be considered during COGCC review of a forthcoming Form 4 variance request from the operator.		
Corrective Action:		Date:	

**Tanks and Berms:**

Contents	#	Capacity	Type	Tanak ID	SE GPS
PRODUCED WATER	1	300 BBLS	HEATED STEEL AST		40.353240,-108.443990
Comment:	GPS measurements copied from prior Field Inspection Report				
Corrective Action:				Date:	

**Paint**

Condition	Adequate	
Other (Content)		
Other (Capacity)		
Other (Type)		

**Berms**

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate			Adequate
Comment:				
Corrective Action:			Date:	

Contents	#	Capacity	Type	Tanak ID	SE GPS
CRUDE OIL	2	400 BBLS	HEATED STEEL AST		40.353280,-108.444390
Comment:					
Corrective Action:			Date:		

**Paint**

Condition	Adequate	
Other (Content)		

Other (Capacity)	
Other (Type)	

**Berms**

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate			Adequate
Comment:	GPS measurements copied from prior Field Inspection Report			
Corrective Action:				Date:

**Venting:**

Yes/No	YES		
Comment:	Active venting from heater treater gas outlet pipe, routed from heater treater through shed located between heater treater and heated produced water tank. At the time of inspection, the discharge from the pipe was outside the front of the shed, as shown on the attached FLIR video and photographs.		
Corrective Action:	Submit a Form 4 Rule 502.b. variance request regarding a Rule 605.a.(5) setback between the heater treater and the produced water tank. The request shall describe how the operator will re-route the vent pipe to an alternate location near the crude oil tanks located in a separate bermed area west of the heater treater and produced water tank. The request shall include a statement from BLM regarding their concurrence with the equipment change. Continued venting and emissions from production equipment is subject to any site-specific permitting that may be required separately by the Colorado Department of Public Health and Environment.		Date: 11/30/2016

**Flaring:**

Type		
Comment:		
Corrective Action:		Date:

<b>Inspected Facilities</b>				
Facility ID: 223471	Type: WELL	API Number: 081-06837	Status: PR	Insp. Status: PR
<b>Producing Well</b>				
Comment:	Pump Jack			
Corrective Action:				Date:

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**Optical Gas Imaging Survey**Survey Type: RoutineCurrent Operations: ☒ Production ☐ Workover ☐ Flowback ☐ Referred to APCD

GPS(entrance of location): Lat: \_\_\_\_\_ Long: \_\_\_\_\_

Wind: Light Speed: 2 (mph) Direction From: SW Weather: Clear Temperature: 60 (F)Assisting Staff Emily Waldron Camera #: \_\_\_\_\_☐ Visible Smoke ☐ Referred to CDPHE

Times Surveyed

Equipment Surveyed

Time Survey Start	AM/PM	Time Survey End	AM/PM	Equipment
10:10	AM	10:11	AM	Separation Equipment

Comment: View of Heater Treater gas outlet discharge pipe.

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_

**COGCC Comments**

Comment	User	Date
<u>Follow-up inspection with FLIR video by COGCC staff advised sometime after heater treater vent discharge is re-routed. However, operator representative, Brandon Lyster, advised that operator's photo documentation will be acceptable after re-routing the vent discharge.</u>	andrewd	11/16/2016

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

Document Num	Description	URL
675000015	20161107 FLIR Elk Springs Unit 4	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4004467">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4004467</a>
675000016	20161107 Photos Elk Springs Unit 4	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4004468">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4004468</a>