

**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:

01/17/2017

Submitted Date:

01/18/2017

Document Number:

682501617**FIELD INSPECTION FORM**
 Loc ID 330865 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num:
Operator Information:OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 16000 DALLAS PARKWAY #875City: DALLAS State: TX Zip: 75248-**Status Summary:**

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

Findings:15 Number of Comments8 Number of Corrective Actions

- ☒
- Corrective Action Response Requested

Contact Information:

| Contact Name | Phone | Email | Comment |
|-----------------|-------|---------------------------------|-------------------------------------|
| , | | regulatory@foundationenergy.com | All Inspections |
| Binschus, Chris | | chris.binschus@state.co.us | |
| Pesicka, Conor | | conor.pesicka@state.co.us | |
| | | rgrant@foundationenergy.com | |
| Freese, Steve | | steeve.freese@state.co.us | All SLB Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 199860 | WELL | PR | 08/10/1999 | OW | 123-19794 | State 36-3-9 | RI |

General Comment:

[This is an interim reclamation and stormwater inspection. Any corrective actions from previous inspections that have not been addressed are still applicable.](#)

LocationOverall Good: ☐**Signs/Marker:**

| | | | |
|--------------------|---|-------|------------|
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Placard labels have been placed on tanks per inspection Doc. #684901990, however placards missing 1) Name of Operator, 2) Operator's Emergency contact telephone number, and 3) Tank Capacity | | |
| Corrective Action: | Install sign to comply with rule 210.d | Date: | 02/18/2017 |
| Type | WELLHEAD | | |
| Comment: | Inspection Doc. #670501455 required operator to install sign to comply with rule 210.d at wellhead. Sign still remains missing from wellhead. | | |
| Corrective Action: | Install sign to comply with rule 210.b | Date: | 02/18/2017 |
| Type | BATTERY | | |
| Comment: | Sign at battery has deteriorated in such a manner that the operator contact information is illegible. | | |
| Corrective Action: | Install sign to comply with rule 210.b | Date: | 02/18/2017 |

Emergency Contact Number:

| | | |
|--------------------|--|-------------|
| Comment: | | |
| Corrective Action: | | Date: _____ |

Good Housekeeping:

| | | | |
|--------------------|--|-------|------------|
| Type | TRASH | | |
| Comment: | Square iron tubing being stored on the Northwest corner of the interim area, see figure 11 in the attached photo document. | | |
| Corrective Action: | Remove and properly store or dispose of iron metal. | Date: | 02/18/2017 |

Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Tanks and Berms:**

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| CRUDE OIL | 2 | | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
|------|----------|---------------------|---------------------|-------------|

| | | | | | |
|--------------------|---|--------------------|-------------------|------------|------------|
| Earth | Inadequate | Walls Insufficient | Base Insufficient | Inadequate | |
| Comment: | Inspection DOc. #684901990 required operator to "repair or install berms or other secondary containment devices per Rule 906.d(1). Berms remain low, insufficient and unrepaired. See figures 4 and 5 in the attached photo document. Original corrective action and corrective action date remains in place. | | | | |
| Corrective Action: | Repair or install berms or other secondary containment devices per Rule 906.d(1). | | | Date: | 09/09/2016 |

Venting:

| | | | |
|--------------------|--|-------|--|
| Yes/No | | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Flaring:

| | | |
|--------------------|--|-------|
| Type | | |
| Comment: | | |
| Corrective Action: | | Date: |

Inspected FacilitiesFacility ID: 199860 Type: WELL API Number: 123-19794 Status: PR Insp. Status: RI**Producing Well**

Comment:

Corrective Action:

Date:

Idle WellPurpose: ☒ Shut In☐ Temporarily Abandoned

Reminder:

Comment:

Inspection doc. #684901990 stated "Well last produced in September 2014. If well remains SI, MIT for two years SI will be required." Unable to find records that an MIT has been performed. This issue is being forwarded to the Weld County field inspector.

Corrective Action:

Date:

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: [Appears location was re-drilled in 2013.](#)**1002 SITE PREPARATION AND STABILIZATION**

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND
SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Fail _____

Comment [Appears that there are two \(2\) areas of the location being used as access, one on the north end of the location \(see figure 8\), and one on the southeast corner of the location. The northern access point appears to be travel through areas of the location not needed for production and should be included in interim reclamation per Surface disturbance minimization rules.](#)

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment [See "good housekeeping"](#)

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

Date _____

- 1003b. Area no longer in use? Fail 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? Fail
- Production areas have been stabilized? Fail Segregated soils have been replaced? _____

RESTORATION AND REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured Fail 80% Revegetation Fail

1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment

Location does not meet reclamation regulations; The northern, western and southwest portions of the location do not appear to be necessary for production activities, and have not been re-contoured and reclaimed per reclamation rules. Vegetation predominantly undesirable weedy species such as russian thistle.

Corrective Action

Re-contour and reclaim all areas not needed for production per reclamation rules; Establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of pre-disturbance or reference area levels. Use a seed mixture that matches the adjacent pastureland or a seed mixture requested by the landowner. Ensure erosion controls are implemented to stabilize the seeded soil, and continue to monitor and manage this site. Revegetation activities shall be complete no later than 6/15/2017

Date 06/15/2017Overall Interim Reclamation Fail**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 _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

Comment: Insufficient stormwater and sediment control BMPs in place; areas along the perimeter of the current location experiencing degradation. Refer to figures 14, and 18 in the attached photo document. These concerns will be mitigated during interim reclamation, however temporary BMPs need to be implemented to prevent further degradation.

Corrective Action: Install or repair required BMPs per rule 1002.f. Refer to the 1002.f guidance document for further details.

Date: 02/18/2017

Pits: ☐ NO SURFACE INDICATION OF PITType: Produced WaterLined: NO

Pit ID: _____

Lat: 40.450270Long: -104.156180

Reference Point: _____

Other: _____

Length: _____

Width: _____

Lining:

Liner Type: _____

Liner Condition: _____

Comment: _____

Corrective Action

Date: c**Fencing:**

Fencing Type: _____

Fencing Condition: _____

Comment: _____

Corrective Action

Date: _____

Netting:

Netting Type: _____

Netting Condition: _____

Comment: _____

Corrective Action

Date: _____

Anchor Trench Present: _____

Oil Accumulation: _____

2+ feet Freeboard: _____

Comment: Inspection Doc. #684901990 required operator to Submit form 15 eform pit report (10 days); No form 15 found in well or location records for a produced water skim pit. Original corrective action and corrective action date remains in place.

Corrective Action

Submit form 15 eform pit report

Date: 08/29/2016**Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|----------------------|---|
| 401187946 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4054144 |
| 682501618 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4054133 |