

**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:

07/05/2017

Submitted Date:

07/12/2017

Document Number:

685303458**FIELD INSPECTION FORM**

Loc ID 313547	Inspector Name: St John, William (Cal)	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____	Status Summary: <input checked="" type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED Findings: 29 Number of Comments 15 Number of Corrective Actions <input checked="" type="checkbox"/> Corrective Action Response Requested
Operator Information: OGCC Operator Number: <u>45745</u> Name of Operator: <u>KC RESOURCES INC</u> Address: <u>110 MIDLAND AVENUE</u> City: <u>BASALT</u> State: <u>CO</u> Zip: <u>81621</u>				

Contact Information:

Contact Name	Phone	Email	Comment
Harris, Christie	970-927-2764	cmarie@crystalriveroil.com	SW Insp Reports
Howe, James	970-927-2764	jhowe@crystalriveroil.com	SW Inspections
, Engineering		dnr_cogccengineering@state.co.us	
Ash, Margaret		margaret.ash@state.co.us	
Mah, Steven		steven.mah@state.co.us	
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
Labowskie, Steve		steve.labowskie@state.co.us	COGCC
Telecky, Barbara		btelecky@blm.gov	Durango
Rabinowitz, Daniel	970-385-1363	drabinow@blm.gov	Durango

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
224429	WELL	SI	12/17/2014	OW	083-06494	MAIL TRAIL MESA F23 - 26G	SI

General Comment:

This is the second follow up inspection after the 12/05/2017 inspection. Follow up includes information related to the 2017 Flowline NTO.

See link at end of report for path to downloadable pictures.

At time of inspection it appears no corrective actions have been performed or conditions have reoccurred.

Location			
Lease Road:			
Type	Access		
comment:	Dirt and gravel two track road.		
Corrective ActionL		Date:	
Overall Good: <input type="checkbox"/>			
Signs/Marker:			
Type	WELLHEAD		
Comment:	Sign reflects Crystal River Oil and Gas, LLC as operator and records indicate KC Resources Inc to be operator of record. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.		
Corrective Action:	Install sign to comply with Rule 210.b	Date:	02/06/2017
Type	TANK LABELS/PLACARDS		
Comment:	Flir images indicated that tanks contain fluids (3/10/2017 inspection). Each tank required to have appropriate content, capacity, and NFPA. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.		
Corrective Action:	Install labels /placards to comply with Rule 210.d	Date:	02/06/2017
Emergency Contact Number:			
Comment:	Called operator 03/13/2017 and phone was answered.		
Corrective Action:		Date:	
Good Housekeeping:			
Type	OTHER		
Comment:	Stained soil around rear of Pump Jack from motor leaking Lube oil. See photo 9 and 10. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.		
Corrective Action:	Clean up and remediate stained soil to comply with Rule 907.e.	Date:	01/06/2017
Type	DEBRIS		
Comment:	Concrete debris pile (approximately 1 cubic yard) located at N end of location. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.		
Corrective Action:	Remove debris to comply with Rule 603.f using the Rule 603.f guidance document for further details.	Date:	04/13/2017
Type	DEBRIS		
Comment:	50' piece of steel cable on ground at S end of location outside fencing behind tank battery. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.		
Corrective Action:	Remove debris to comply with Rule 603.f using the Rule 603.f guidance document for further details.	Date:	04/13/2017
Type	DEBRIS		
Comment:	NE corner of location has pile of concrete pieces, empty with residue plastic 55 gallon drum, and loose not connected black poly line. See photo 1 and 2. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.		
Corrective Action:	Remove debris to comply with Rule 603.f using the Rule 603.f guidance document for further details.	Date:	01/06/2017
Type	UNUSED EQUIPMENT		
Comment:	Pump jack horse head, wellhead piping, drive belt, fittings, and other production related parts and pieces at wellhead and around pump jack. See photo 5 and 6. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.		

Corrective Action:	Remove loose unused parts or reassemble equipment to comply with Rule 603.f using the Rule 603.f guidance document for additional details.			Date:	01/06/2017
Overall Good: <input type="checkbox"/>					
Spills:					
Type	Area	Volume			
Crude Oil	Truck Loadout	<= 1 bbl			
Comment:	CORRECTIVE ACTION REQUIRED BY 12/06/16 INSPECTION DOC# 685301900 HAS NOT BEEN COMPLETED, conditions at loadout have become worse since previous inspection. Oil saturated impacted material below and around drip pans has increased free oil observed on top of impacted soils, drip pans are full and appear to have overflowed recently, no wildlife protection screening on drip pans. Corrective action date remains the same to document days of noncompliance. See photo 7 and 8. Precipitation mixed with crude oil spilled inside tank berms. Free oil needs to be removed immediately and disposed/remediated in approved manner.				
Corrective Action:	Determine cause of spill to prevent recurrence. Clean up oil and impacted material to comply with Rule 906.a. Provide waste transportation and final disposition information in accordance with 907.b.(2) for all E&P waste transported off site.			Date:	01/06/2017

In Containment: Yes

Comment: ☐ Multiple Spills and Releases?

Fencing/:			
Type	LOCATION		
Comment:	Post and wire.		
Corrective Action:		Date:	

Equipment:			corrective date
Type: Flow Line	# 1		
Comment:	In use - 3" steel line from wellhead to separator inlet. All lines co-located.		
Corrective Action:		Date:	
Type: Flow Line	# 3		
Comment:	<p>Not in use - 1" steel line riser at wellhead pump jack motor not capped, plugged, or tagged. All lines co-located. See photo 11.</p> <p>Not in use - 6" steel line riser in front of tank battery not capped, plugged, or tagged. All lines co-located. See photo 12.</p> <p>Not in use - 1" poly line riser at wellhead pump jack not capped, plugged, or tagged attached at separator. All lines co-located. See photo 11.</p> <p>NTO Phase 1, Part 2: Any existing flowline or pipeline riser not in use must be clearly marked using fluorescent paint, have all operating valves removed and be capped (locked out/tagged out, bull plugged, or blind flange) until it can be cut-off below grade and sealed pursuant to Rule 1103 and the statewide Flowline NTO</p>		
Corrective Action:	Comply with Phase I-Part 2 of the May 2, 2107 Flowline NTO.		Date: 05/30/2017
Type: Deadman # & Marked	#		
Comment:	Not all deadmen marked. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.		
Corrective Action:	Locate and mark all deadmen to comply with Rule 1003.a.		Date: 12/23/2016
Type: Flow Line	# 2		

Comment:	Not in use - 1" steel line in production equipment with cut red hose end not capped, plugged, or tagged. All lines co-located. See photo 13. Not in use - 1" steel riser in front of tank battery coming from production equipment disconnected end is not capped, plugged, or tagged on either end. All lines co-located. See photo 14. NTO Phase 1, Part 2: Any existing flowline or pipeline riser not in use must be clearly marked using fluorescent paint, have all operating valves removed and be capped (locked out/tagged out, bull plugged, or blind flange) until it can be cut-off below grade and sealed pursuant to Rule 1103 and the statewide Flowline NTO	
Corrective Action:	Comply with Phase I-Part 2 of the May 2, 2107 Flowline NTO.	Date: 05/30/2017

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	400 BBLs	STEEL AST		37.156560,-109.012530
Comment:	Above ground steel tank with earthen berms. See signs and labels and spills sections of report.				
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Insufficient	Base Insufficient	Inadequate
Comment:	Weeds, grass and sage brush growing inside bermed containment area. See photo 3 and 4. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.			
Corrective Action:	Maintain berms to comply with Rule 605.a.(4).			Date: 01/06/2017

Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	3	400 BBLs	STEEL AST		37.156560,-109.012530
Comment:	Above ground steel 400 BBL tanks with earthen berms. See signs and labels and spill sections of report. IR pictures from 03/10/2017 inspection indicate tanks contain fluids. See spill section for corrective action.				
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Insufficient	Base Insufficient	Inadequate
Comment:	Weeds, grass and sage brush growing inside bermed containment area. See photo 3 and 4. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.			
Corrective Action:	Maintain berms to comply with Rule 605.a.(4).			Date: 01/06/2017

Venting:

Yes/No	NO		
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected FacilitiesFacility ID: 224429 Type: WELL API Number: 083-06494 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: Well is currently SI but appears to be TA based on disconnected pumping unit and production equipment. Production data reflects that well has been SI since August 2014 with no reporting since November 2014. No MIT completed or scheduled. Successful MIT was required by Aug 2016 per rule 326. Well is overdue for MIT. Form 6 in process (06/26/2017 status date). Operator required to report submit monthly Form 7s on SI and TA wells.

Corrective Action: **New Corrective Action - Catch up require Form 7s per Rule 206.**

Date: 08/12/2017

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

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
		Compaction	Pass	Spill Response	Fail	Lube oil at pump jack.
Compaction	Fail	Gravel	Pass	Self Inspection	Fail	

Comment: Erosion channels on the fill slope are carrying water and sediment into the tank containment and onto location. Area N of wellhead has ruts 8" - 14" deep where water is pooling on location. See photo 3 and 4. Corrective action not completed. Corrective action date remains the same to document days of noncompliance.

Corrective Action: Repair or install required BMPs to comply with Rule 1002.f. Refer to the 1002.f guidance document for further details.

Date: 01/06/2017

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Inspector noted at the time of inspection that the pump jack motor has been removed.	stjohnw	07/07/2017

Attached Documents

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

Document Num	Description	URL
685303547	Inspection pictures.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4195642