

**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 ☐ 2A Doc Num: \_\_\_\_\_**Operator Information:**OGCC Operator Number: 45745Name of Operator: KC RESOURCES INCAddress: 110 MIDLAND AVENUECity: BASALT State: CO Zip: 81621**Status Summary:**

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

**Findings:**29 Number of Comments15 Number of Corrective Actions

- ☒ Corrective Action Response Requested

**Contact Information:**

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

**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			
<b>Lease Road:</b>			
Type	Access		
comment:	Dirt and gravel two track road.		
Corrective Action	L	Date:	
Overall Good: <input type="checkbox"/>			
<b>Signs/Marker:</b>			
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
<b>Emergency Contact Number:</b>			
Comment:	Called operator 03/13/2017 and phone was answered.		
Corrective Action:		Date:	
<b>Good Housekeeping:</b>			
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
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	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
Overall Good:	<input type="checkbox"/>				
<b>Spills:</b>					
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 reoccurrence. 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:					
<input type="checkbox"/> Multiple Spills and Releases?					
<b>Fencing/:</b>					
Type	LOCATION				
Comment:	Post and wire.				
Corrective Action:					Date:
<b>Equipment:</b>					
Type: Flow Line	# 2		corrective date		
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
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	# 3				
Comment:	Not in use - 1" steel line riser at wellhead pump jack motor not capped, plugged, or tagged. All lines co-located. See photo 11. Not in use - 6" steel line riser in front of tank battery not capped, plugged, or tagged. All lines co-located. See photo 12. 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.  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

Type: Flow Line	# 1	
Comment:	In use - 3" steel line from wellhead to separator inlet. All lines co-located.	
Corrective Action:		Date:

**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 Facilities**Facility 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	Fail	Gravel	Pass	Self Inspection	Fail	
		Compaction	Pass	Spill Response	Fail	Lube oil at pump jack.

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
401339120	INSPECTION SUBMITTED	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4195653">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4195653</a>
685303547	Inspection pictures.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4195642">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4195642</a>