

**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:

07/19/2017

Submitted Date:

07/19/2017

Document Number:

684903913**FIELD INSPECTION FORM**Loc ID 330622 Inspector Name: Pesicka, Conor 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:**22 Number of Comments13 Number of Corrective Actions

- ☒
- Corrective Action Response Requested

**Contact Information:**

| Contact Name     | Phone        | Email                           | Comment                         |
|------------------|--------------|---------------------------------|---------------------------------|
| Mah, Steven      |              | steven.mah@state.co.us          |                                 |
| Leonard, Mike    |              | mike.leonard@state.co.us        |                                 |
| Anderson, Austin | 918-845-4700 | aanderson@foundationenergy.com  |                                 |
| Ash, Margaret    |              | margaret.ash@state.co.us        |                                 |
| ,                |              | regulatory@foundationenergy.com | <a href="#">All Inspections</a> |

**Inspected Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 251565      | WELL | PR     | 06/01/2015  | GW         | 123-19368 | HILL 31-15-8  | TA          |
| 275725      | PIT  | AC     | 01/25/2005  |            | -         | HILL 31-15-8  | AC          |

**General Comment:**

**Location**Overall Good: ☒

|                      |   |       |            |
|----------------------|---|-------|------------|
| <b>Signs/Marker:</b> |   |       |            |
| Type                 | BATTERY   |       |            |
| Comment:             | Battery sign detached, SE of location   |       |            |
| Corrective Action:   | Install sign to comply with rule 210.b  | Date: | 09/19/2017 |
| Type                 | CONTAINERS  |       |            |
| Comment:             | propane, methanol   |       |            |
| Corrective Action:   |   | Date: |            |
| Type                 | WELLHEAD  |       |            |
| Comment:             | Wellhead sign is for prior operator   |       |            |
| Corrective Action:   | Install sign to comply with rule 210.b  | Date: | 08/30/2016 |
| Type                 | TANK LABELS/PLACARDS  |       |            |
| Comment:             | Damaged placarding on 400 bbl crude oil tanks. No placarding on 300 bbl fiberglass produced water tanks |       |            |
| Corrective Action:   | Install sign to comply with rule 210.d  | Date: | 08/30/2016 |

Emergency Contact Number:

Comment: Emergency contact number at wellhead is for prior operator

Corrective Action: Install sign to comply with rule 210.b

Date: 08/21/2017

**Good Housekeeping:**

|                    |  |       |            |
|--------------------|--|-------|------------|
| Type               | UNUSED EQUIPMENT   |       |            |
| Comment:           | Unused equipment in tank battery   |       |            |
| Corrective Action: | Comply with Rule 603.f using the Rule 603.f guidance document for further details. | Date: | 08/21/2017 |
| Type               | DEBRIS   |       |            |
| Comment:           | Debris in treater house  |       |            |
| Corrective Action: |  | Date: | 07/31/2017 |

Overall Good: ☐

|                |      |        |  |
|----------------|------|--------|--|
| <b>Spills:</b> |      |        |  |
| Type           | Area | Volume |  |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

|                    |             |       |  |
|--------------------|-------------|-------|--|
| <b>Fencing/:</b>   |             |       |  |
| Type               | WELLHEAD    |       |  |
| Comment:           | barbed wire |       |  |
| Corrective Action: |             | Date: |  |

|                    |     |       |                 |
|--------------------|-----|-------|-----------------|
| <b>Equipment:</b>  |     |       | corrective date |
| Type: Pig Station  | # 1 |       |                 |
| Comment:           |     |       |                 |
| Corrective Action: |     | Date: |                 |

|                               |   |  |                  |
|-------------------------------|---|--|------------------|
| Type: Vertical Separator      | # 1   |  |                  |
| Comment:                      |   |  |                  |
| Corrective Action:            |   |  | Date:            |
| Type: Prime Mover             | # 1   |  |                  |
| Comment:                      | injection pump; stained soil in pumphouse, around pumphouse   |  |                  |
| Corrective Action:            | Remove or remediate stained soil; Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d. |  | Date: 08/01/2016 |
| Type: Vertical Heater Treater | # 1   |  |                  |
| Comment:                      | Stained soil in treater house   |  |                  |
| Corrective Action:            | Remove or remediate stained soil; Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d. |  | Date: 08/01/2016 |
| Type: Deadman # & Marked      | # 4   |  |                  |
| Comment:                      |   |  |                  |
| Corrective Action:            |   |  | Date:            |
| Type: Ancillary equipment     | # 3   |  |                  |
| Comment:                      | containers- 2 methanol, 1 propane   |  |                  |
| Corrective Action:            |   |  | Date:            |
| Type: Gas Meter Run           | # 2   |  |                  |
| Comment:                      |   |  |                  |
| Corrective Action:            |   |  | Date:            |
| Type: Bird Protectors         | # 2   |  |                  |
| Comment:                      |   |  |                  |
| Corrective Action:            |   |  | Date:            |
| Type: Emission Control Device | # 1   |  |                  |
| Comment:                      |   |  |                  |
| Corrective Action:            |   |  | Date:            |

**Tanks and Berms:**

|                    |       |          |           |         |                       |
|--------------------|-------|----------|-----------|---------|-----------------------|
| Contents           | #     | Capacity | Type      | Tank ID | SE GPS                |
| CRUDE OIL          | 1     | 300 BBLS | STEEL AST |         | 40.611650,-104.131360 |
| Comment:           |       |          |           |         |                       |
| Corrective Action: | Date: |          |           |         |                       |

**Paint**

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

**Berms**

|          |                       |                     |                     |             |
|----------|-----------------------|---------------------|---------------------|-------------|
| Type     | Capacity              | Permeability (Wall) | Permeability (Base) | Maintenance |
|          |                       |                     |                     |             |
| Comment: | Shared with crude oil |                     |                     |             |

|   |   |          |           |         |                                  |  |
|---|---|----------|-----------|---------|----------------------------------|--|
| Corrective Action:  |   |          |           |         | Date:                            |  |
| Contents  | # | Capacity | Type      | Tank ID | SE GPS                           |  |
| CRUDE OIL   | 2 | 400 BBLs | STEEL AST |         | 40.611650,-104.131360            |  |
| Comment: <a href="#">Stained soil at loadouts, leaking on E tank at valve.</a>  |   |          |           |         |                                  |  |
| Corrective Action: <a href="#">Remove or remediate stained soil; Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.</a><br><a href="#">(24 hour CA for leak, 07/20/24)</a> |   |          |           |         | Date: <a href="#">08/01/2016</a> |  |

Paint

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

Berms

|                    |          |                     |                     |             |
|--------------------|----------|---------------------|---------------------|-------------|
| Type               | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Earth              | Adequate | Walls Sufficient    | Base Sufficient     | Adequate    |
| Comment:           |          |                     |                     |             |
| Corrective Action: |          |                     |                     | Date:       |

|  |   |          |                |         |                                  |
|--|---|----------|----------------|---------|----------------------------------|
| Contents   | # | Capacity | Type           | Tank ID | SE GPS                           |
| PRODUCED WATER   | 3 | 300 BBLs | FIBERGLASS AST |         | 40.611650,-104.131360            |
| Comment: <a href="#">Stained soil around tanks</a>   |   |          |                |         |                                  |
| Corrective Action: <a href="#">Remove or remediate stained soil; Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.</a> |   |          |                |         | Date: <a href="#">08/21/2017</a> |

Paint

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

Berms

|  |          |                     |                     |             |
|--|----------|---------------------|---------------------|-------------|
| Type   | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|  |          |                     |                     |             |
| Comment: <a href="#">Shared with crude oil</a> |          |                     |                     |             |
| Corrective Action:                             |          |                     |                     | Date:       |

Venting:

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

Flaring:

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

**Inspected Facilities**Facility ID: 251565 Type: WELL API Number: 123-19368 Status: PR Insp. Status: TA**Idle Well**Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: EQUIPMENT PRESENT/DISCONNECTEDComment: TA; MIT on 09-24-2015. Last reported on Oct 2016.Corrective Action: Report production via Form 7 as required by Rule 206Date: 08/21/2017**BradenHead**Comment: Bradenhead plumbed to surface.Corrective Action: Date: Facility ID: 275725 Type: PIT API Number: - Status: AC Insp. Status: AC

| Environmental                      |  |
|------------------------------------|--|
| <b>Spill/Remediation:</b>          |  |
| Comment:                           |  |
| Corrective Action:                 | Date:  |
| Emission Control Burner (ECB): YES |  |
| Comment:                           | Off while TA                                     |
| Pilot: OFF                         | Wildlife Protection Devices (fired vessels): YES |

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

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: \_\_\_\_\_

Comment: \_\_\_\_\_

**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 \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1003a. Waste and Debris removed? Pass

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

Unused or unneeded equipment onsite? Pass

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

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

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

Guy line anchors marked? Pass

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1003b. Area no longer in use? \_\_\_\_\_ 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? \_\_\_\_\_

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 \_\_\_\_\_

## 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 \_\_\_\_\_

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

**Overall Interim Reclamation****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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Waddles          | Pass            |                         |                       |               |                          |         |
| Gravel           | Fail            | Gravel                  | Pass                  |               |                          |         |

Comment: Stormwater erosion on N side of pit. Stormwater erosion off NE corner of location has been addressed.

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

Date: 08/21/2017

**Pits:** ☐ NO SURFACE INDICATION OF PIT

Type: Produced Water Lined: NO Pit ID: 275725 Lat: 40.613215 Long: -104.133043

Reference Point: SE Other: \_\_\_\_\_ Length: 15 Width: 15

**Lining:**

Liner Type: \_\_\_\_\_ Liner Condition: \_\_\_\_\_

Comment: \_\_\_\_\_

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

Date: c

**Fencing:**

Fencing Type: None Fencing Condition: \_\_\_\_\_

Comment: \_\_\_\_\_

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

Date: \_\_\_\_\_

**Netting:**

Netting Type: Mesh Netting Condition: Holes

Comment: Gaps on edge of mesh, holes in mesh

Corrective Action: Net or fence pit to prevent access per rule 902.d.

Date: 07/07/2016

Anchor Trench Present: \_\_\_\_\_ Oil Accumulation: NO 2+ feet Freeboard: YES

Comment: Stained soil at NW corner of pit

Corrective Action: Remove or remediate stained soil

Date: 08/21/2017

| Permit: | Facility ID | Permit Num | Expiration Date |
|---------|-------------|------------|-----------------|
|         | 275725      | 1137716    |                 |

**COGCC Comments**

| Comment   | User     | Date       |
|---|----------|------------|
| Contacted Austin Anderson, Operations Superintendent about leak at crude oil tank @ 1:00pm 07/19/17 | pesickac | 07/19/2017 |

**Attached Documents**

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

| Document Num | Description | URL   |
|--------------|-------------|---|
| 684903914    | Site photos | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4201903">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4201903</a> |