

**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:

07/25/2017

Submitted Date:

07/31/2017

Document Number:

681700672

FIELD INSPECTION FORM

Loc ID 451505 Inspector Name: Arauza, Steven On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

OGCC Operator Number: 52530
Name of Operator: MAGPIE OPERATING, INC
Address: 2707 SOUTH COUNTY RD 11
City: LOVELAND State: CO Zip: 80537

Findings:

- 41 Number of Comments
- 30 Number of Corrective Actions
- Corrective Action Response Requested

Contact Information:

Contact Name	Phone	Email	Comment
		dnr_cogccengineering@state.co.us	
Leonard, Mike		mike.leonard@state.co.us	
Burn, Diana		diana.burn@state.co.us	
Sherman, Susan		susan.sherman@state.co.us	
Young, Rob		rob.young@state.co.us	
Warner, Ryan and James	(970) 669-6308	magpieoil@yahoo.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
451504	TANK BATTERY	AC	07/01/2000		-	Little Beaver Unit Tank Battery	AC

General Comment:

COGCC environmental inspection of Injection Plant and Tank Battery. Facility IDs #451505 and #451504 have been administratively created for Injection Plant and Tank Battery, respectively. See field inspection reports #673713633, #673713319, #673706779, and #673701019 under associated Little Beaver Unit #52 well (API #121-06183) for previous documented conditions at these facilities.

Conditions and corrective actions from 6/13/2016 Field Inspection Report (doc #673713319) remained unresolved as of the date of this inspection.

Location			
Overall Good: <input type="checkbox"/>			
Signs/Marker:			
Type	BATTERY		
Comment:	Battery sign reads 'LBDSU.' Emergency contact number OK. No sign to indicate which wells are producing to tank battery.		
Corrective Action:	Install sign to comply with Rule 210.b.	Date:	10/01/2017
Type	OTHER		
Comment:	Operator information is illegible at sign on south side of main injection building. See photos.		
Corrective Action:	Repair or replace sign.	Date:	10/01/2017
Type	TANK LABELS/PLACARDS		
Comment:	Crude oil AST NW of VHT sheds lacks contents and volume labels. NFPA label needs to be replaced. See photos.		
Corrective Action:	Install sign to comply with Rule 210.d.	Date:	10/01/2017
Type	TANK LABELS/PLACARDS		
Comment:	Adequate labels and placards at crude oil ASTs at SW corner of location and at produced water ASTs on north side of location.		
Corrective Action:		Date:	
Emergency Contact Number:			
Comment:			
Corrective Action:			Date: _____
Good Housekeeping:			
Type	STORAGE OF SUPL		
Comment:	Unused equipment: excavator, cement mixing tank, coil tubing, assorted vehicles stored on location.		
Corrective Action:	Comply with Rule 603.f using the Rule 603.f guidance document for further details.	Date:	11/01/2017
Type	DEBRIS		
Comment:	Assorted wooden debris and trash at SW crude oil tank battery, inside of VHT sheds, and south of diesel tank. See photos.		
Corrective Action:	Comply with Rule 603.f using the Rule 603.f guidance document for further details.	Date:	08/10/2017
Type	OTHER		
Comment:	Broken window on west side of main building allows wildlife access. One bird observed trapped inside of main building. See photos.		
Corrective Action:		Date:	
Type	UNUSED EQUIPMENT		
Comment:	Wooden poles, debris, well sign, gravel stockpile, and junk wire at south side of facility. See photos.		
Corrective Action:	Comply with Rule 603.f using the Rule 603.f guidance document for further details.	Date:	11/01/2017
Overall Good: <input type="checkbox"/>			
Spills:			
Type	Area	Volume	
Crude Oil	Flow Line	<= 1 bbl	
Comment:	Localized, oil-stained soil underlying flowline riser and 55-gallon drum south of vacuum truck. Operator had been previously instructed in 6/13/2016 FIR #673713319 to provide secondary containment device for 55-gallon drum. See photos.		

Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. Immediately install secondary containment device for 55-gallon drum.		Date:	08/03/2017
Crude Oil	Truck Loadout	<= 1 bbl		
Comment:	Accumulation of oily waste outside of containment at crude oil tank loadout (at SW side of facility). See photos.			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e.		Date:	08/03/2017
Crude Oil	Tank	<= 1 bbl		
Comment:	Localized, oil stained soil beneath produced water ASTs and associated valves on north side of location.			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e.		Date:	08/03/2017
Crude Oil	Tank	<= 1 bbl		
Comment:	Historical accumulation of oily waste on east side of horizontal crude oil AST (located NW of VHT sheds).			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e.		Date:	08/03/2017
Crude Oil	Flow Line	<= 1 bbl		
Comment:	Localized oily waste behind injection facility sign on south side of main building (see photos).			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e.		Date:	08/03/2017
Produced Water	Truck Loadout	>= 5 bbls		
Comment:	Vacuum truck located at NE corner of injection plant was dripping water on date of inspection. Operator was contacted to report leaking equipment. Impacted soil stretching from double doors on east side of injection plant to vacuum truck measured ~30'x10' on date of inspection and was previously documented in 6/13/2016 FIR #673713319. See photos.			
Corrective Action:	Remove free fluids and contact COGCC EPS staff per Rule 906.b.		Date:	08/03/2017
Crude Oil	Tank	<= 1 bbl		
Comment:	Historical accumulations of oily waste beneath flowline risers and valves associated with crude oil ASTs. See photos.			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e.		Date:	08/03/2017
PW/CO	Treater	<= 1 bbl		
Comment:	Localized, oil-stained soil, water-saturated soil, and hydrocarbon odor located inside of both VHT sheds.			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e.		Date:	08/03/2017

In Containment: No

Comment: Additional localized oily-waste impacts at SW corner and on west side of main injection plant building. See photos. Remove and properly dispose of oily waste, per Rule 907.e. by 8/3/2017.

Multiple Spills and Releases?

Equipment:				corrective date
Type: Ancillary equipment	# 1			
Comment:	Diesel storage container on east side of facility has adequate secondary containment.			
Corrective Action:			Date:	
Type: Ancillary equipment	# 1			
Comment:	55 gallon drum inside of earthen VHT berms on E side of sheds.			
Corrective Action:			Date:	
Type: Flow Line	# 3			
Comment:	NOT IN USE: Steel flowline risers (two 4", one 1") located on E and W sides of concrete pad, south of horizontal crude oil AST. See photos.			

Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.	Date:	<u>08/10/2017</u>
Type: Vertical Heater Treater	# 2		
Comment:	Stained soil and HC odor observed at both treater sheds.		
Corrective Action:	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:	<u>09/01/2017</u>
Type: Flow Line	# 1		
Comment:	NOT IN USE: Destroyed 4" flowline valve plumbed to exposed flowline on south side of main building, behind sign. See photos.		
Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.	Date:	<u>08/10/2017</u>
Type: Flow Line	# 1		
Comment:	NOT IN USE: Steel, 90-degree flowline riser and valves daylight south of crude oil ASTs. See photos.		
Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.	Date:	<u>08/10/2017</u>
Type: Flow Line	# 1		
Comment:	NOT IN USE: Steel, ~8-12" capped flowline riser south of crude oil ASTs. See photos.		
Corrective Action:		Date:	
Type: Flow Line	# 2		
Comment:	NOT IN USE: 2" uncapped flowline riser and 4" uncapped pipe riser at NE corner of injection plant. See photos.		
Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.	Date:	<u>08/10/2017</u>
Type: Flow Line	# 5		
Comment:	NOT IN USE: Five (5) capped, steel flowlines east of crude oil ASTs (two 2", two 1", one 0.5"). See photos.		
Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.	Date:	<u>08/10/2017</u>
Type: Bird Protectors	# 2		
Comment:	Bird protectors on VHTs.		
Corrective Action:		Date:	
Type: Flow Line	# 5		
Comment:	NOT IN USE: Five, uncapped steel pipes/flowline risers (two 2", one 1", one 4" loadout) and one 1" hose on east side of VHT sheds. Corroded 2" flowline section with 90-degree turn daylights inside of earthen berm just E of northern VHT shed.		
Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.	Date:	<u>08/10/2017</u>

Type: Ancillary equipment	# 1		
Comment:	Flowline manifold south of VHT sheds with: one 2" flowline riser, one 1" flowline riser, one 2" flowline with valve daylights on south side of manifold. See photos.		
Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.		Date: 08/10/2017
Type: Ancillary equipment	# 1		
Comment:	Chemical storage container at NE corner of injection plant plumbed to produced water ASTs with adequate secondary containment.		
Corrective Action:			Date:
Type: Flow Line	# 2		
Comment:	NOT IN USE: Two, 2" steel risers north of crude oil ASTs (one uncapped, one bullplugged). See photos.		
Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.		Date: 08/10/2017
Type: Flow Line	# 2		
Comment:	NOT IN USE: Uncapped steel pipe risers at south VHT shed (one 2" inside of NW entrance, one 1" at SW corner). See photos.		
Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.		Date: 08/10/2017

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	1	OTHER	STEEL AST		39.911912,-103.686032
Comment:	Horizontal, steel AST NW of vertical VHT sheds.				
Corrective Action:					Date:

Paint

Condition	
Other (Content)	
Other (Capacity)	unknown
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficent		
Comment:	Earthen berms shared with VHT sheds.			
Corrective Action:				Date:

Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	2	400 BBLS	STEEL AST		39.911784,-103.686464
Comment:	Operator was contacted on 7/25/2017 regarding fluid drip observed from red valve at southern crude oil AST.				
Corrective Action:	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: 09/01/2017

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient		Inadequate
Comment: Berm eroded and burrows observed in berm walls. See photos.				
Corrective Action: Repair or install berms or other secondary containment devices per Rule 605.a.(4).				Date: <u>09/01/2017</u>

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	3	400 BBLs	STEEL AST		39.912127,-103.686173
Comment: Pool of water at NE corner of earthen berm with hose leading outside of containment.					
Corrective Action: Contact EPS to verify whether or not this was a reportable release.					Date: <u>08/10/2017</u>

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Insufficient		Inadequate
Comment: Earthen berms around produced water ASTs eroded and damaged by burrows. See photos. Maintenance required.				
Corrective Action: Repair or install berms or other secondary containment devices per Rule 605.a.(4).				Date: <u>09/01/2017</u>

Venting:

Yes/No	
Comment:	
Corrective Action:	Date:

Flaring:

Type	
Comment:	
Corrective Action:	Date:

Inspected Facilities

Facility ID: 451504 Type: TANK API Number: - Status: AC Insp. Status: AC

Environmental

Spills/Releases:

Type of Spill: OTHER E&P WASTE Estimated Spill Volume: _____

Comment: Historical accumulation of E&P waste and unused equipment, junk, trash, & debris inside of building on east side of location (north of VHT sheds). See photos.

Corrective Action: Submit an eForm 27 Site Investigation and Remediation workplan for remediation of environmental impacts. Date: 08/31/2017

Reportable: _____ GPS: Lat 39.911996 Long -103.685980

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well Complaint:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____ Comment: _____

Spill/Remediation:

Comment: Active spill record from 2014 (Spill Facility ID #439500) in COGCC database. Initial Spill Report (doc #400718996) approved with COA to provide soil disposal manifests, topo map, and spill closure request with Supplemental Spill Report. No record that supplemental report was received.

Corrective Action: Immediately contact COGCC Area EPS Rob Young with spill update. Date: 08/10/2017

Emission Control Burner (ECB): _____

Comment:

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

COGCC Comments

Comment	User	Date
<p>Main Injection Building: Localized oil stains and large produced water puddle in center of building likely caused by leaking equipment. This condition had been previously documented in field photos attached to 6/13/2016 Field Inspection Report #673713319.</p> <p>Recover free liquids and properly dispose in accordance with 907.c. by 8/3/2017.</p> <p>Contact COGCC Engineering unit to discuss integrity concerns no later than 8/10/2017.</p> <p>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. no later than 9/1/2017</p>	arauzas	07/31/2017

Attached Documents

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

Document Num	Description	URL
401360084	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4212512
681700673	Field Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4212511