

**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:

10/17/2017

Submitted Date:

10/18/2017

Document Number:

680302639**FIELD INSPECTION FORM**Loc ID 312324 Inspector Name: SCHURE, KYM On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10032Name of Operator: H & M PETROLEUM CORPORATIONAddress: PO BOX 2487City: COLORADO State: CO Zip: 80901**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**22 Number of Comments11 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

| Contact Name | Phone | Email | Comment |
|---------------------|-------|--------------------------|-----------------------------|
| Quint, Craig | | craig.quint@state.co.us | Field Inspection Supervisor |
| Leonard, Mike | | mike.leonard@state.co.us | Field Inspection Quality |
| Axelson, John | | john.axelson@state.co.us | Enviro. Supervisor |
| H&M Petroleum Corp. | | susanatksa@aol.com | |
| Young, Rob | | rob.young@state.co.us | EPS |
| Burn, Diana | | diana.burn@state.co.us | Engineering Supervisor |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 277880 | WELL | PR | 02/04/2015 | OW | 075-09345 | HIGHBALL 1 | PR |

General Comment:

Routine Site/Inventory Inspection FIR

NOTE TO OPERATOR: Please read all sections of FIR and respond to Corrective Action Dates. Contact COGCC Environmental Group, COGCC Engineering Group and COGCC Field Inspection Group for directives. Production reporting requires updating.

| Location | | | |
|--|--|-----------------|------------|
| Lease Road: | | | |
| Type | Access | | |
| comment: | Access road is rutted and adjacent secondary path has been created/widened in sections of the road. Limit traffic to single path on access road. Grade and fill ruts, maintain year-round. | | |
| Corrective Action | Maintain and repair access roads per Rule 604.c.(2)S. | Date: | 11/18/2017 |
| Overall Good: <input type="checkbox"/> | | | |
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | Sign not posted or information inaccurate at well. No sign at wellhead. | | |
| Corrective Action: | Install sign to comply with Rule 210.b. | Date: | 12/18/2017 |
| Emergency Contact Number: | | | |
| Comment: | Called 1-800-220-5936 (3) attempts. NO Service available. No response answered. Sign not posted or information inaccurate. | | |
| Corrective Action: | Install sign to comply with Rule 210.e. | Date: | 11/18/2017 |
| Good Housekeeping: | | | |
| Type | DEBRIS | | |
| Comment: | Remove all debris/trash from location. Discarded belts | | |
| Corrective Action: | Location is within a designated setback location, remove trash or debris per Rule 604.c.(2)S. | Date: | 11/02/2017 |
| Type | UNUSED EQUIPMENT | | |
| Comment: | Remove all unused equipment (PJ weights) | | |
| Corrective Action: | Remove all unused equipment (PJ weights) | Date: | 11/02/2017 |
| Overall Good: <input type="checkbox"/> | | | |
| Spills: | | | |
| Type | Area | Volume | |
| In Containment: Yes | | | |
| Comment: | Crude on surface and inside walls of berms @ PW pit. Inadequate free board. Direct discharge of PW from HV Separator. Contact COGCC Environmental Group/Area EPS immediately for directives. | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | |
| Fencing/: | | | |
| Type | PUMP JACK | | |
| Comment: | No fence @ Pump Jack - Install fencing | | |
| Corrective Action: | Location is within designated setback location, install fencing per Rule 604.c.(2)K. | Date: | 11/02/2017 |
| Equipment: | | | |
| Type: Prime Mover | # 1 | corrective date | |
| Comment: | AJAX NG Engine | | |
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Vertical Heated Separator | # 1 | | |

| | | | |
|---------------------------|--------------|-------|--|
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Propane tank | | |
| Corrective Action: | | Date: | |
| Type: Pump Jack | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| | | | | | | |
|--------------------|---|----------|-----------|---------|--------|-------|
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| CRUDE OIL | 2 | 300 BBLs | 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 Sufficient | Inadequate |
| Comment: | Inadequate berms around CO tanks at battery. | | | |
| Corrective Action: | Location is within an exception zone, repair or install berms or other secondary containment devices per Rule 604.c.(3)B. | | | Date: 11/02/2017 |

Venting:

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

Flaring:

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

Inspected FacilitiesFacility ID: 277880 Type: WELL API Number: 075-09345 Status: PR Insp. Status: PR**Producing Well**Comment: CONTACT COGCC ENVIRONMENTAL GROUP STAFF (SUPERVISOR), COGCC
FIELD INSPECTION GROUP STAFF (SUPERVISOR) FOR DIRECTIVES.Corrective Action: SPILLS REQUIRING IMMEDIATE RESOLUTION. OTHER CA'S REQUIRE SPECIFIED
DATES FOR RESOLUTION. READ THIS FIR COMPLETELY AND RESPOND
ACCORDINGLY. CA DATE ATTACHED TO THIS NOTIFICATION REGARDS SPILL
RESPONSE. CONTACT COGCC ENVIRONMENTAL GROUP IMMEDIATELY FOR
NOTIFICATION.
SEE ATTACHED PHOTOGRAPHS.Date: 10/19/2017

Environmental**Spills/Releases:**

Type of Spill: OIL

Estimated Spill Volume: _____

Comment:

Crude Oil present on surface of PW pit and upon earthen walls inside PW pit. Reference Rules 907 and 902 series. Discharging of PW directly from separator into PW pit per Rule 907.c.(1) CONTACT COGCC ENVIRONMENTAL SUPERVISOR N.E. AREA for directives

Corrective Action:

Immediately to stop and clean-up w/(24) hours to remove free fluids per Rule 902.c, 906.a., 906.b & 906.c.

Date: 10/20/2017

Reportable: YES

GPS: Lat 40.980490

Long -103.465740

Proximity to Surface Water:

Depth to Ground Water: _____

Water Well Complaint:

Lat

Long

DWR Receipt Num: _____

Owner Name: _____

GPS :

Field Parameters:

Sample Location: _____

Comment: _____

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

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Other | In Process | Other | Fail | | | |

Comment: Access road is in disrepair w/ruts and adjacent secondary widening of road at sections along path. Restrict travel to single path on access road.

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

Date: 11/18/2017

Pits: ☐ NO SURFACE INDICATION OF PIT

Type: Produced Water Lined: NO Pit ID: Lat: 40.980490 Long: -103.465740

Reference Point: Other: Length: Width:

Lining:

Liner Type: Liner Condition:

Comment: Contact COGCC EPS for directives. Free product on surface and inside walls of PW pit. Direct discharge of PW from Heated Vertical Separator. Inadequate Freeboard on PW pit.

Corrective Action

Date: g

Fencing:

Fencing Type: Livestock Fencing Condition:

Comment: PW pit has fencing on (3) sides, open on uphill side. Oily waste on surface of PW pit. Inadequate freeboard. Contact COGCC Environmental Group for directives.

Corrective Action

Date:

Netting:

Netting Type: Netting Condition:

Comment:

Corrective Action

Date:

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

Comment: CO Free fluids on surface of PW pit. CO on inside walls of PW pit. Inadequate freeboard on PW pit. Contact COGCC Environmental Group for directives.

Corrective Action

Date: 10/19/2017

Control and contain spill/releases and clean up per Rule 906.a. (24) hrs. to remove. Contact COGCC EPS staff immediately. Remove free fluids and contact COGCC EPS staff per Rule 906.b. (24) hrs. to remove. Contact COGCC EPS staff. Remove/remediate affected soils within PW pit per Rule 906.c. (48) hours to perform. Contact COGCC EPS staff for directives.

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| READ FIR COMPLETELY AND RESPOND/CONTACT COGCC STAFF. | schureky | 10/18/2017 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|--|---|
| 680302642 | Signage @ battery - berm - weeds | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4277918 |
| 680302643 | Berm @ battery - weeds - inadequate volume | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4277919 |

| | | |
|-----------|---|---|
| 680302644 | Free product on surface of PW pit | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4277920 |
| 680302645 | Free product PW pit - direct discharge - inadequate freeboard | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4277921 |
| 680302646 | Inadequate free board - discharge pipe | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4277922 |
| 680302647 | Free product on PW pit surface | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4277923 |
| 680302648 | Free product on PW pit surface | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4277924 |
| 680302649 | Stormwater erosion | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4277925 |
| 680302650 | Stormwater erosion | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4277926 |