

**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:

12/19/2017

Submitted Date:

12/26/2017

Document Number:

681700966

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:

- 27 Number of Comments
- 20 Number of Corrective Actions
- Corrective Action Response Requested

Contact Information:

Contact Name	Phone	Email	Comment
Young, Rob		rob.young@state.co.us	
Burn, Diana		diana.burn@state.co.us	
Leonard, Mike		mike.leonard@state.co.us	
Warner, Ryan	720-233-0875	magpieoil@yahoo.com	All Inspections
,		dnr_cogccengineering@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
439500	SPILL OR RELEASE	AC	10/29/2014		-	SPILL/RELEASE POINT	EI
451504	TANK BATTERY	AC	07/01/2000		-	Little Beaver Unit Tank Battery	EI

General Comment:

[COGCC Environmental Inspection of injection plant and tank battery \(Facility ID #451504\). Follow-up to Field Inspection Report \(FIR\) #681700672. 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.](#)

[Sixteen \(16\) out of twenty-one \(21\) Corrective Actions listed in this report remain unresolved from previous FIRs. Where corrective actions remain unresolved, original corrective action dates are retained.](#)

Location			
Overall Good: <input type="checkbox"/>			
Signs/Marker:			
Type	TANK LABELS/PLACARDS		
Comment:	NFPA placard on horizontal crude oil AST (NW of VHT sheds) needs to be replaced. See photos. Operator was instructed to replace placard in previous FIR.		
Corrective Action:	Immediately install sign to comply with Rule 210.d. (Horizontal AST placard)	Date:	10/01/2017
Type	BATTERY		
Comment:	Battery sign reads 'LBDSU.' Emergency contact number OK. No sign to indicate which wells are producing to tank battery, as indicated in previous FIR.		
Corrective Action:	Install sign to comply with Rule 210.b. (battery sign)	Date:	10/01/2017
Type	OTHER		
Comment:	Operator information is illegible at sign on south side of main injection building. See photos. Operator was instructed to repair or replace sign in previous FIR.		
Corrective Action:	Install sign to comply with Rule 210.e. (main building)	Date:	10/01/2017
Emergency Contact Number:			
Comment:	Emergency contact number tested on 12/22. Live answer OK.		
Corrective Action:		Date:	
Good Housekeeping:			
Type	DEBRIS		
Comment:	Concrete slab with wood debris located ~50' east of small building. See photos.		
Corrective Action:	Comply with Rule 603.f. (Concrete slab)	Date:	03/26/2018
Type	DEBRIS		
Comment:	Assorted wooden debris and trash at SW crude oil tank battery, inside of VHT sheds, at flowline manifold south of VHT sheds, and south of diesel tank. See photos. This corrective action remains unresolved from previous FIR.		
Corrective Action:	Comply with Rule 603.f. (debris)	Date:	08/10/2017
Overall Good: <input type="checkbox"/>			
Spills:			
Type	Area	Volume	
PW/CO	Truck Loadout	<= 1 bbl	
Comment:	Localized accumulation of produced water and oily waste beneath crude oil tank loadout at SW side of facility. See photos.		
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. (crude oil loadout)	Date:	01/26/2018
Other	Tank	<= 1 bbl	
Comment:	Localized, oil-stained soil at SE corner of diesel AST. See photos.		
Corrective Action:	Remove and properly dispose of non-E&P waste, per Rule 907A. (diesel AST)	Date:	01/26/2018
Crude Oil	Tank	<= 1 bbl	
Comment:	Localized, oil stained soil beneath produced water ASTs and associated valves on north side of location. See photos. This corrective action remains unresolved from previous FIR.		
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. (PW ASTs)	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. This corrective action remains unresolved from previous FIR.		

Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. (VHT sheds)	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. This corrective action remains unresolved from previous FIR.		
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. (crude oil ASTs)	Date:	08/03/2017

In Containment: No

Comment: Additional localized accumulations of oily waste remain at SW corner of main building, as indicated in previous FIR. See photos. Operator had been instructed to remove and properly dispose of this oily waste, per Rule 907.e., no later than 8/3/2017.

Multiple Spills and Releases?

Equipment:			corrective date
Type: Flow Line	# 3		
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. Operator had been instructed to contact COGCC Engineering Integrity section to discuss flowline abandonment no later than 8/10/2017.		
Corrective Action:	Immediately 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. (SE manifold)	Date:	08/10/2017
Type: Ancillary equipment	# 3		
Comment:	Diesel AST on east side of facility has adequate secondary containment. 55 gallon drum inside of earthen VHT berms on E side of sheds. Chemical storage container at NE corner of injection plant plumbed to produced water ASTs with adequate secondary containment.		
Corrective Action:		Date:	
Type: Flow Line	# 17		
Comment:	NOT IN USE: Assorted capped and uncapped steel flowline risers described in previous FIR remain unmarked (two at S. VHT shed, five east of VHT sheds, two at NE corner of main building, five east of Crude Oil ASTs, one south of Crude Oil ASTs, two north of Crude Oil ASTs). Operator had been instructed to contact COGCC Engineering Integrity section to discuss flowline abandonment no later than 8/10/2017. See FIR #681700672 for locations.		
Corrective Action:	Immediately 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. (flowlines)	Date:	08/10/2017
Type: Vertical Heater Treater	# 2		
Comment:	On inspection date, an audible gas leak was observed inside of south VHT shed. Operator was informed of leak via phone call on 12/22/2017. Stained soil and strong hydrocarbon odor remains inside of both VHT sheds, as indicated in previous FIR. See Spills section for CAs.		
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. (VHT shed).	Date:	12/29/2017

Tanks and Berms:

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

Paint

Condition	Adequate
Other (Content)	PW/CO
Other (Capacity)	110 bbl
Other (Type)	Horizontal AST

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Insufficient		Inadequate
Comment: Earthen berms, shared with VHT sheds, are shallow and eroded. See photos.				
Corrective Action: Repair or install berms or other secondary containment devices per Rule 605.a.(4). (horizontal AST)				Date: 01/26/2018

Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	2	400 BBLs	STEEL AST		
Comment: On inspection date, water was observed to be dripping from truck loadout and from red valve on east side of south AST. Operator was notified of leaking equipment previously on 7/25/2017 and was called again on 12/22/2017					
Corrective Action: Immediately 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. (Crude oil ASTs)					
Date: 09/01/2017					

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Insufficient		Inadequate
Comment: Berms shallow and eroded. See photos. This corrective action remains unresolved from previous FIR.				
Corrective Action: Immediately repair or install berms or other secondary containment devices per Rule 605.a.(4). (Crude oil ASTs)				Date: 09/01/2017

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	3	400 BBLs	STEEL AST		
Comment: Multiple localized accumulations of oily waste beneath produced water tanks and associated equipment remain. Operator was instructed to remove and properly dispose of oily waste, per Rule 907.e., in previous FIR.					
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. (PW ASTs)					
Date: 01/26/2018					

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Insufficient		Inadequate

Comment:	Earthen berms are shallow and eroded. See photos. This corrective action remains unresolved from previous FIR.		
Corrective Action:	Immediately repair or install berms or other secondary containment devices per Rule 605.a.(4). (PW ASTs)	Date:	09/01/2017

Venting:

Yes/No	YES		
Comment:	On date of inspection, audible gas leak was detected inside of south VHT shed. Operator was called on 12/22/2017 to notify them of leak. See equipment section for Corrective Action.		
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities

Facility ID: 439500 Type: SPILL OR API Number: - Status: AC Insp. Status: EI

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

Environmental

Spills/Releases:

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

Comment: Operator had been instructed in previous FIR to submit an eForm 27 Site Investigation and Remediation Workplan to address significant historical accumulations of E&P waste, junk, trash, and debris inside of building on east side of location. See FIR #681700672 for photos. Operator has not submitted required eForm 27.

Corrective Action: Immediately submit an eForm 27 Site Investigation and Remediation Workplan for remediation of environmental impacts inside of east building. 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. This corrective action remains unresolved from previous FIR.

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
FIR #681700672 included final inspector comment reporting localized oil staining and large pool of produced water in the center of main building. On date of this inspection, there was no pool of water in the center of main building.	arauzas	12/22/2017

Attached Documents

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

Document Num	Description	URL
401495581	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4334897
681700972	Field Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4334889