

**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:

10/17/2018

Submitted Date:

10/18/2018

Document Number:

680403939**FIELD INSPECTION FORM**Loc ID 322411 Inspector Name: BROWNING, CHUCK On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 1801 BROADWAY SUITE 1500City: DENVER State: CO Zip: 80202**Status Summary:**

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

Findings:9 Number of Comments4 Number of Corrective Actions☒ Corrective Action Response Requested**ANY CORRECTIVE ACTION(S) FROM
PREVIOUS INSPECTIONS THAT HAVE NOT
BEEN ADDRESSED ARE STILL APPLICABLE****Contact Information:**

| Contact Name | Phone | Email | Comment |
|------------------|--------------|---------------------------------|-----------------|
| Labowskie, Steve | | steve.labowskie@state.co.us | |
| Browning, Chuck | 970-433-4139 | chuck.browning@state.co.us | Field Inspector |
| Contact, General | | regulatory@foundationenergy.com | All inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 210435 | WELL | PR | 02/01/2018 | GW | 045-06191 | FEDERAL 10-12 | PR |

General Comment:

Location

| | | | |
|--------------------|--------|-------|--|
| Lease Road: | | | |
| Type | Access | | |
| comment: | | | |
| Corrective Action | | Date: | |
| Type | Main | | |
| comment: | | | |
| Corrective Action | | Date: | |

Overall Good: ☒

| | | | |
|----------------------|----------------------|-------|--|
| Signs/Marker: | | | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

| | |
|---------------------------|-------------|
| Emergency Contact Number: | |
| Comment: | |
| Corrective Action: | Date: _____ |

Overall Good: ☒

| | | | |
|----------------|------|--------|--|
| Spills: | | | |
| Type | Area | Volume | |

In Containment: No

Comment: ☐ Multiple Spills and Releases?

| | | | |
|--------------------|------------|-------|--|
| Fencing/: | | | |
| Type | WELLHEAD | | |
| Comment: | Pipe fence | | |
| Corrective Action: | | Date: | |

| | | | |
|-----------------------------------|-----|-------|-----------------|
| Equipment: | | | corrective date |
| Type: Gas Meter Run | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Deadman # & Marked | # 4 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| | | | | | |
|--------------------|---|----------|-----------|---------|-----------------------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| PRODUCED WATER | 1 | 100 BBLs | PBV STEEL | | 39.461599,-108.976876 |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|----------|
| Condition | Adequate |
| 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 tank(s) | | | | |
| Corrective Action: Repair or install berms or other secondary containment devices per Rule 906.d.(1). | | | | Date: 11/22/2018 |

| | | | | | |
|--------------------|---|----------|-----------|---------|-----------------------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| CONDENSATE | 1 | 300 BBLs | STEEL AST | | 39.461605,-108.976969 |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|----------|
| Condition | Adequate |
| 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 tank(s) | | | | |
| Corrective Action: Repair or install berms or other secondary containment devices per Rule 906.d.(1). | | | | Date: 11/22/2018 |

Venting:

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

Flaring:

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

| | | | | |
|-----------------------------|------------|-----------------------|------------|------------------|
| Inspected Facilities | | | | |
| Facility ID: 210435 | Type: WELL | API Number: 045-06191 | Status: PR | Insp. Status: PR |
| Producing Well | | | | |
| Comment: | Flowing | | | |
| Corrective Action: | | | | Date: |

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 | Pass | Compaction | Pass | Material Handling And Spill Prevention | Pass | Secondary containment of chemicals |

Comment: Corrective Action: Date: **Pits:** ☐ NO SURFACE INDICATION OF PITType: BlowdownLined: NOPit ID: Lat: 39.461894Long: -108.976837Reference Point: SEOther: Length: 15Width: 15**Lining:**Liner Type: Liner Condition: Comment: Corrective Action Date: **Fencing:**Fencing Type: Netting/Fence comFencing Condition: InadequateComment: Netting or fencing not maintainedCorrective Action Date: 10/29/2018**Netting:**Netting Type: MeshNetting Condition: Sagging into pit contentsComment: Netting or fencing not maintainedCorrective Action Date: 10/29/2018Anchor Trench Present: Oil Accumulation: NO2+ feet Freeboard: YESComment: Corrective Action Date: **Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|------------------------------|---|
| 401802113 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4614173 |
| 680403948 | Inspection photos 10/18/2018 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4614169 |