

FORM
INSPRev
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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:

10/16/2018

Submitted Date:

10/25/2018

Document Number:

688800329**FIELD INSPECTION FORM**

Loc ID 320906 Inspector Name: Hughes, Jim On-Site Inspection 2A Doc Num: _____

Operator Information:

OGCC Operator Number: 10559
Name of Operator: SOUTHLAND ROYALTY COMPANY LLC
Address: 400 WEST 7TH STREET
City: FORT WORTH State: TX Zip: 76102

Status Summary:

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

Findings:

- 16 Number of Comments
1 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 |
|---------------|--------------|--------------------------|---------------------------------------|
| Howe, Mike | | MHowe@ctfieldsvcs.com | SW Inspection Reports |
| Hampton, John | 505-330-4377 | jhampton@ctfieldsvcs.com | SW Inspection Reports |
| Fischer, Alex | | alex.fischer@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------------|-------------|
| 293736 | WELL | PR | 11/28/2007 | GW | 007-06239 | SCHUMACHER 32-6 13-3 | EI |

General Comment:

On October 16, 2018 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Southland Royalty Co. LLC Schumacher 32-6 #13-3. For the most recent field inspection report of this facility, please refer to document #685305357. Southland Royalty representative Jay Wagner was on site during this inspection.

| Location | | | |
|--|--|----------|------------|
| Lease Road: | | | |
| Type | Access | | |
| comment: | | | |
| Corrective Action: | | Date: | |
| Overall Good: <input checked="" type="checkbox"/> | | | |
| Signs/Marker: | | | |
| Type | CONTAINERS | | |
| Comment: | Chemical container has label and placard. | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | ASTs have NFPA placards and are labeled with contents and capacity. Labels on western tank are illegible. | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Free standing sign near tank battery. | | |
| Corrective Action: | | Date: | |
| Emergency Contact Number: | | | |
| Comment: | Posted on location signs. Emergency contact number used to report fluids observed in secondary containment berm. | | |
| Corrective Action: | | Date: | |
| Overall Good: <input checked="" type="checkbox"/> | | | |
| Spills: | | | |
| Type | Area | Volume | |
| Other | WELLHEAD | <= 1 bbl | |
| Comment: | Well head is wet with fluids. Absorbent rags tied around well head are saturated. | | |
| Corrective Action: | Control and contain spills/releases and clean up per Rule 906.a. Contact COGCC EPS staff. | Date: | 11/26/2018 |
| In Containment: No | | | |
| Comment: | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | |
| Fencing/: | | | |
| Type | TANK BATTERY | | |
| Comment: | Perimeter fencing around secondary containment berm for tank battery. | | |
| Corrective Action: | | Date: | |
| Type | PUMP JACK | | |
| Comment: | Guard fencing. | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Chain link fencing around well head and pump jack. | | |
| Corrective Action: | | Date: | |

| Equipment: | | corrective date |
|---------------------------------|--------------------------------|-----------------|
| Type: Vertical Heated Separator | # 1 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Ancillary equipment | # 1 | |
| Comment: | Telemetry equipment | |
| Corrective Action: | | Date: |
| Type: Deadman # & Marked | # 4 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Prime Mover | # 1 | |
| Comment: | Natural gas motor. | |
| Corrective Action: | | Date: |
| Type: Ancillary equipment | # 1 | |
| Comment: | Transfer pump shack near ASTs. | |
| Corrective Action: | | Date: |
| Type: Pump Jack | # 1 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Bird Protectors | # 3 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Gas Meter Run | # 1 | |
| Comment: | | |
| Corrective Action: | | Date: |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|------------------|---------|-----------------------|
| PRODUCED WATER | 2 | 400 BBLs | HEATED STEEL AST | | 37.016184,-107.451008 |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

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: |

Venting:

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

Flaring:

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

Inspected Facilities

Facility ID: 293736 Type: WELL API Number: 007-06239 Status: PR Insp. Status: EI

Reclamation - Storm Water - Pit

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|--|
| Rip Rap | Pass | | | | | |
| Berms | Pass | | | | | |
| Ditches | Pass | Culverts | Pass | Material Handling And Spill Prevention | Pass | Chemical container on secondary containment. |

Comment:

Corrective Action:

Date: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| <p>On October 16, 2018 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Southland Royalty Co. LLC Schumacher 32-6 #13-3. For the most recent field inspection report of this facility, please refer to document #685305357. Southland Royalty representative Jay Wagner was on site during this inspection. The posted emergency number was used to inquire about fluid in the secondary containment berm for the tank battery. The lease operator explained that the fluid was storm water. Storm water BMPs have been installed since the most recent field inspection. The well head was wet with fluid, reportedly from the chemical injection system. Ensure equipment is in good working condition and inspected at regular intervals.</p> | hughesjo | 10/25/2018 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 688800330 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4621835 |