

**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:

05/16/2019

Submitted Date:

05/20/2019

Document Number:

688800522**FIELD INSPECTION FORM**Loc ID 423375 Inspector Name: Hughes, Jim On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 77330Name of Operator: SG INTERESTS I LTDAddress: 100 WAUGH DR SUITE 400City: HOUSTON State: TX Zip: 77007**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**14 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
Inspections, All		inspection@sginterests.com	All Inspections
Heil, John		john.heil@state.co.us	
Fischer, Alex		alex.fischer@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
418790	PIT	AC			-	MCINTYRE FLOWBACK 4	EI
418791	PIT	AC			-	MCINTYRE FLOWBACK 3	EI
421066	CENTRALIZED EP WASTE MGMT FAC	AC	01/04/2011		-	McIntyre Flowback Pits #3 and #4 421066	EI

General Comment:

On May 16, 2019 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the SG Interests McIntyre Flowback Pits #3 and #4, Facility ID #421066. For the most recent field inspection report of this facility, please refer to document #688800315.

Location

Lease Road:			
Type	Access		
comment:			
Corrective Action	L	Date:	

Overall Good: ☒

Signs/Marker:			
Type	OTHER		
Comment:	Location sign mounted to perimeter fence near access gate.		
Corrective Action:		Date:	

Emergency Contact Number:			
Comment:	Posted on location sign.		
Corrective Action:		Date:	

Good Housekeeping:			
Type	STORAGE OF SUPL		
Comment:	Poly water transfer line stored on site at the time of this inspection. Location shall be kept clear of equipment and supplies not necessary for use on at this facility.		
Corrective Action:	Comply with Rule 603.f. Corrective action date taken from previous inspection.	Date:	01/14/2019
Type	STORAGE OF SUPL		
Comment:	Production equipment from SG Federal 11-90-26 #1 stored in the SW corner of the facility, per Form 4 document #401538826. All equipment has been labeled "temporarily decommissioned".		
Corrective Action:		Date:	

Overall Good: ☐

Spills:			
Type	Area	Volume	

In Containment: No

Comment: ☐ Multiple Spills and Releases?

Fencing/:			
Type	LOCATION		
Comment:	Perimeter fencing around location.		
Corrective Action:		Date:	
Type	PIT		
Comment:	Pit Facility ID #418790 and #418791 are both fenced/netted.		
Corrective Action:		Date:	

Venting:			
Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities									
Facility ID:	<u>418790</u>	Type:	<u>PIT</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>418791</u>	Type:	<u>PIT</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>421066</u>	Type:	<u>CENTRALIZE</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>

Reclamation - Storm Water - Pit

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Berms	Pass	Gravel	Pass			
Rip Rap	Pass	Compaction	Pass			
Sediment Traps	Pass					

Comment: Corrective Action: Date: **Pits:** ☐ NO SURFACE INDICATION OF PITType: Multiwell Reuse/ RecyclingLined: YESPit ID: 418791Lat: 39.076340Long: -107.413600Reference Point: Other: Length: Width: **Lining:**Liner Type: HDPELiner Condition: AdequateComment: Lower Pit (#3)Corrective Action: Date: **Fencing:**Fencing Type: Netting/Fence comFencing Condition: AdequateComment: Corrective Action: Date: **Netting:**Netting Type: Fence/Net ComboNetting Condition: HolesComment: Several small holes observed in netting. One larger hole of approximately 3' by 6'. Duck observed in pit during this inspection. Operator was contacted and netting was pulled back in an attempt to flush duck from pit.Corrective Action: Date: 05/21/2019Anchor Trench Present: YESOil Accumulation: NO2+ feet Freeboard: NOComment: Fluid level in pit appears to be within 2' of top of pit wall.Corrective Action: Date: 05/21/2019Type: Multiwell Reuse/ RecyclingLined: YESPit ID: 418790Lat: 39.077050Long: -107.413200Reference Point: Other: Length: Width: **Lining:**Liner Type: HDPELiner Condition: AdequateComment: Upper Pit (#4)Corrective Action: Date: **Fencing:**Fencing Type: Netting/Fence comFencing Condition: AdequateComment:

Corrective Action		Date:												
Netting:														
Netting Type: <u>Fence/Net Combo</u>	Netting Condition: <u>Good</u>													
Comment:														
Corrective Action		Date:												
Anchor Trench Present: <u>YES</u>	Oil Accumulation: <u>NO</u>	2+ feet Freeboard: <u>NO</u>												
Comment:	Fluid level in pit appears to be within 2' of top of pit wall.													
Corrective Action	Lower fluid level so at least two feet of freeboard exists per Rule 902.b.													
Permit:	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Facility ID</th> <th>Permit Num</th> <th>Expiration Date</th> </tr> </thead> <tbody> <tr> <td>418791</td> <td>2590052</td> <td></td> </tr> <tr> <td>418791</td> <td>2590052</td> <td></td> </tr> <tr> <td>418790</td> <td>2583738</td> <td></td> </tr> </tbody> </table>	Facility ID	Permit Num	Expiration Date	418791	2590052		418791	2590052		418790	2583738		
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COGCC Comments

Comment	User	Date
<p>On May 16, 2019 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the SG Interests McIntyre Flowback Pits #3 and #4, Facility ID #421066. For the most recent field inspection report of this facility, please refer to document #688800315. Both pits appear to be at or near capacity. Ensure that 2' of freeboard is maintained at all times.</p> <p>The netting on the lower pit has several holes present. A duck was observed swimming in the lower pit during this inspection. SG personnel were notified and the netting was pulled back in the SW corner in an attempt to free the duck.</p> <p>A water hauler was transferring water from the lower pit to be delivered to the injection well.</p>	hughesjo	05/20/2019

Attached Documents

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

Document Num	Description	URL
688800523	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4826988