

**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:

06/07/2019

Submitted Date:

06/09/2019

Document Number:

679704407

FIELD INSPECTION FORM

Loc ID 315669 Inspector Name: Moran, Rick 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: 10112
Name of Operator: FOUNDATION ENERGY MANAGEMENT LLC
Address: 5057 KELLER SPRINGS RD STE 650
City: ADDISON State: TX Zip: 75001

Findings:

- 10 Number of Comments
- 2 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 |
|--------------------|--------------|---------------------------------|------------|
| Wentzel, Dougo | | dougo.wentzel@state.co.us | |
| Kellerby, Shaun | 970-712-1248 | shaun.kellerby@state.co.us | |
| Arauzo, Steven | | steven.arauza@state.co.us | |
| Energy, Foundation | | regulatory@foundationenergy.com | Regulatory |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-------------------|-------------|
| 231304 | WELL | PR | 08/20/1982 | GW | 103-08974 | KIRBY-EIDSON 28-4 | PR |

General Comment:

[COGCC Inspection Report Summary.](#)

On 6-7-2019 at approximately 16:30, inspector Rick Moran, conducted a follow up inspection at Foundation Energy Management's well Kirby Eidson 28-4 in Rio Blanco county.

Additional compliance issues were identified:

- 1) Blowdown tank floating in fluid filled secondary containment. Photo 9. Complete by 7-8-2019.
- 2) No wellhead sign. Photo 10. Complete by 8-8-2019.

Note: A landslide exists on the northwest edge of the location. Photo's 2 to 8.

A follow up on this site inspection will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

This is a summary of inspection report 679704407.

Location

Overall Good:

Signs/Marker:

| | | | |
|--------------------|---|-------|------------|
| Type | WELLHEAD | | |
| Comment: | Sign not posted. | | |
| Corrective Action: | Install sign to comply with Rule 210.b. | Date: | 08/08/2019 |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

| | | | |
|--------------------|--------------|-------|--|
| Comment: | 866-767-3600 | Date: | |
| Corrective Action: | | Date: | |

Overall Good:

Spills:

| Type | Area | Volume | | |
|------|------|--------|--|--|
| | | | | |

In Containment: No

Comment:

Multiple Spills and Releases?

Equipment:

| Type | # | | corrective date |
|----------------------|--|-------|-----------------|
| Ancillary equipment | # 1 | | |
| Comment: | Container of methanol with secondary containment. | | |
| Corrective Action: | | Date: | |
| Deadman # & Marked | # 3 | | |
| Comment: | A possible location of a 4th deadman is in the landslide area. | | |
| Corrective Action: | | Date: | |
| Horizontal Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Gas Meter Run | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|--|----------|-------------|---------|-----------------------|
| PRODUCED WATER | 1 | <50 BBLS | PLASTIC AST | | 39.669700,-108.856900 |
| Comment: | Tank is floating and moving on the fluid inside the secondary containment. | | | | |
| Corrective Action: | Install or repair required BMPs per Rule 1002.f. | | | | Date: 07/08/2019 |

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

| | |
|-------------------------------|--|
| Other (Content) | |
| Other (Capacity) 1000 gallons | |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--|----------|---------------------|---------------------|-------------|
| Earth | Adequate | Walls Sufficent | Base Sufficent | |
| Comment: Bermed area is filled with fluid to 8" below top of berm. | | | | |
| Corrective Action: | | | | Date: |

Venting:

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

Flaring:

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

Inspected Facilities

Facility ID: 231304 Type: WELL API Number: 103-08974 Status: PR Insp. Status: PR

Producing Well

Comment: [Producing well.](#)

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

Comment: The northwest side of the location has a landslide. The landslide is 300' wide and 600' long. Vertical elevation change 100'. Prior satellite images indicate an increase in size from the 1990's to 2009 to ~2019.

Corrective Action: Date: _____

Pits: NO SURFACE INDICATION OF PIT

Type: Blowdown Lined: NO Pit ID: Lat: 39.669700 Long: -108.857000

Reference Point: _____ Other: _____ Length: _____ Width: _____

Lining:

Liner Type: _____ Liner Condition: _____

Comment:

Corrective Action Date: _____

Fencing:

Fencing Type: Wildlife Fencing Condition: Adequate

Comment:

Corrective Action Date: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment:

Corrective Action Date: _____

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

Comment:

Corrective Action Date: _____

| Permit: | Facility ID | Permit Num | Expiration Date |
|---------|-------------|------------|-----------------|
| | 109439 | 400985902 | |
| | 119471 | 400987443 | |
| | 119471 | 400987443 | |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 679704408 | inspection photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4844249 |