

**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:

07/24/2019

Submitted Date:

08/08/2019

Document Number:

696101215**FIELD INSPECTION FORM**Loc ID 330480 Inspector Name: Evins, Bret On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 5057 KELLER SPRINGS RD STE 650City: ADDISON State: TX Zip: 75001**Status Summary:**

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

Findings:15 Number of Comments1 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 |
|----------------|-------|----------------------------------|--|
| Beard, Alyssa | | regulatory@foundationenergy.com | Regulatory Manager All Inspections |
| Pesicka, Conor | | conor.pesicka@state.co.us | |
| , | | dnr_cogccengineering@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|--------------------|-------------|
| 251370 | WELL | SI | 04/01/2019 | OW | 123-19173 | SOONER UNIT 28-6-1 | TA |

General Comment:

This is a WELL inspection.

Wells: 1 well: Temporarily Abandoned | TA.

Facility / Battery: Active Operation.

Centralized Battery serves 8 Location IDs: (327361, 327558, 330359, 323513, 323740, 323773, 330480, 330509).

8 - Producing | PR, Shut-In | SI, or Temporarily Abandoned | TA wells.

Centralized Battery serves 2 Location IDs: (323509, 326746).

2 - Injection | IJ UIC wells. Active Injection.

Centralized Battery formerly served 2 Location IDs: (319078, 323461).

2 - Injection | IJ UIC wells. Plugged & Abandoned | PA.

Refer to Field Inspection Doc. #696101172 and/or Location ID #327361 for Battery / Facility, Equipment info.

Follow-up to Field Inspection Report Doc #691200461 dated 09/18/2018.

Location

| | | | |
|--------------------|----------|-------|--|
| Lease Road: | | | |
| Type | Access | | |
| comment: | Adequate | | |
| Corrective Action | L | Date: | |

Overall Good: ☐

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

Emergency Contact Number:

Comment:

Corrective Action: Date:

Good Housekeeping:

| | | | |
|--------------------|---|-------|------------|
| Type | UNUSED EQUIPMENT | | |
| Comment: | <p>Prior insp: Unused equipment near pumpjack. Refer to Rule 603.f.</p> <p>This insp: Prior unused equipment near pumpjack remains. Original Corrective Action date remains applicable. See photos #1, 2.</p> | | |
| Corrective Action: | Remove unused equipment near pumpjack. Comply w/ Rule 603.f. | Date: | 10/19/2018 |

Overall Good: ☐

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

In Containment: No

Comment: ☐ Multiple Spills and Releases?

| | | | |
|--------------------|----------------|-------|--|
| Fencing/: | | | |
| Type | PUMP JACK | | |
| Comment: | Iron rod panel | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Barbed wire. | | |
| Corrective Action: | | Date: | |

| | | | | | |
|--------------------------|---|--|--|-----------------|--|
| Equipment: | | | | corrective date | |
| Type: Deadman # & Marked | # 4 | | | | |
| Comment: | 4/4: Marked. | | | | |
| Corrective Action: | | | | Date: | |
| Type: Other | # | | | | |
| Comment: | Refer to Field Inspection Doc. #696101172 and/or Location ID #327361 for Battery / Facility, Equipment info. | | | | |
| Corrective Action: | | | | Date: | |
| Type: Bradenhead | # 1 | | | | |
| Comment: | <p>Prior insp: Bradenhead does NOT appear plumbed to surface. Refer to Rule 605.d. Plumb bradenhead to surface. Mechanical Conditions. Refer to Rule 605.d. Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition. Comply w/ Rule 605.d. Corrective Action date: 10/19/2018.</p> <p>This insp: * Bradenhead NOW appears plumbed to surface. See photos #1, 2.</p> | | | | |
| Corrective Action: | | | | Date: | |
| Type: Pump Jack | # 1 | | | | |
| Comment: | <p>Prior insp: Stained soil around wellsite, pumpjack areas. Mechanical Conditions. Refer to Rule 605.d. Remove or remediate stained soil around wellsite and pump jack area. Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition. Comply w/ Rule 605.d. Corrective Action date: 10/19/2018</p> <p>This insp: * Stained soil around wellsite and pump jack area NOW appears mitigated. See photos #1, 2.</p> | | | | |
| Corrective Action: | | | | Date: | |
| Type: Prime Mover | # 1 | | | | |
| Comment: | Electric motor | | | | |
| Corrective Action: | | | | Date: | |
| Type: Other | # 1 | | | | |
| Comment: | Wellhead: w/ Master valve. | | | | |
| Corrective Action: | | | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|----------|---|----------|---------------------|---------|-----------------------|
| | | | CENTRALIZED BATTERY | | 40.652205,-103.869703 |

| | | | |
|--------------------|--|-------|--|
| Comment: | Centralized Battery serves 8 Location IDs: (327361, 327558, 330359, 323513, 323740, 323773, 330480, 330509). 8 - Producing PR, Shut-In SI, or Temporarily Abandoned TA wells. Centralized Battery serves 2 Location IDs: (323509, 326746). 2 - Injection IJ UIC wells. Active Injection. Centralized Battery formerly served 2 Location IDs: (319078, 323461). 2 - Injection IJ UIC wells. Plugged & Abandoned PA Refer to Field Inspection Doc. #696101172 and/or Location ID #327361 for Battery / Facility, Equipment info. | | |
| Corrective Action: | | Date: | |

Paint

| | |
|------------------|--|
| Condition | |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|----------|---------------------|---------------------|-------------|
| | | | | |
| Comment: | | | | |
| Corrective Action: | | Date: | | |

Venting:

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

Flaring:

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

Inspected FacilitiesFacility ID: 251370 Type: WELL API Number: 123-19173 Status: SI Insp. Status: TA**Idle Well**Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: EQUIPMENT PRESENT/DISCONNECTED

Comment: Temporarily Abandoned | TA.
Wellhead: w/master ball valve on casing. Disconnected from flowline.

Prior insp:
Observed well Shut-In | SI. Production records indicate SI since 02/2016.
Mechanical Integrity Testing (Shut-in Wells).
No current MIT on record or delinquent as required by Rule 326.
Contact dnr_cogccengineering@state.co.us with resolution plan.
Comply with Rule 326.b .
Corrective Action date: 10/01/2018.

This insp:
* Form 21 Doc #401846229 indicates Approved MIT done: 11/19/2018.

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Gravel | | | | | | |

Comment: Corrective Action: Date: **Pits:** ☐ NO SURFACE INDICATION OF PIT**COGCC Comments**

| Comment | User | Date |
|---|--------|------------|
| <p>COGCC Inspection Report Summary:</p> <p>On MON 07/24/2019 at approximately 11:38 hrs. I, Bret Evins, conducted an on-site inspection at: Operator Name: FOUNDATION ENERGY MANAGEMENT LLC Location Name: SOONER UNIT-68N58W /28SENW Location ID: 330480 Well Name: Sooner Unit 28-6-1 API: 05-123-19173 Location County: Weld County, Colorado Weather: Dry</p> <p>While there, I observed: Wells: 1 well: Temporarily Abandoned TA. Facility / Battery: Active Operation. Centralized Battery serves 8 Location IDs: (327361, 327558, 330359, 323513, 323740, 323773, 330480, 330509). 8 - Producing PR, Shut-In SI, or Temporarily Abandoned TA wells. Centralized Battery serves 2 Location IDs: (323509, 326746). 2 - Injection IJ UIC wells. Active Injection. Centralized Battery formerly served 2 Location IDs: (319078, 323461). 2 - Injection IJ UIC wells. Plugged & Abandoned PA.</p> <p>Refer to Field Inspection Doc. #696101172 and/or Location ID #327361 for Battery / Facility, Equipment info.</p> <p>Follow-up to Field Inspection Report Doc #691200461 dated 09/18/2018. 3 of 4 Corrective Actions appears addressed. 1.) Bradenhead does NOT appear plumbed to surface. Refer to Rule 605.d. Plumb bradenhead to surface. Mechanical Conditions. Refer to Rule 605.d. Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition. Comply w/ Rule 605.d. Corrective Action date: 10/19/2018. * Bradenhead NOW appears plumbed to surface. See photos #1, 2.</p> <p>2.) Stained soil around wellsite, pumpjack areas. Mechanical Conditions. Refer to Rule 605.d. Remove or remediate stained soil around wellsite and pump jack area. Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good</p> | evinsb | 08/08/2019 |

mechanical condition.
Comply w/ Rule 605.d.
Corrective Action date: 10/19/2018
* Stained soil around wellsite and pump jack area NOW appears mitigated.
See photos #1, 2.

3.) Observed well Shut-In | SI. Production records indicate SI since 02/2016.
Mechanical Integrity Testing (Shut-in Wells).
No current MIT on record or delinquent as required by Rule 326.
Contact dnr_cogccengineering@state.co.us with resolution plan.
Comply with Rule 326.b .
Corrective Action date: 10/01/2018.
* Form 21 Doc #401846229 indicates Approved MIT done: 11/19/2018.

1 of 4 Corrective Actions appears NOT addressed.
1.) Prior unused equipment near pumpjack.
Refer to Rule 603.f.
Remove unused equipment near pumpjack.
Comply w/ Rule 603.f.
Corrective Action date: 10/19/2018.
Prior unused equipment near pumpjack remains.
Original Corrective Action date remains applicable.
See photos #1, 2.

NO: NEW Corrective Actions observed on this inspection.

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 the inspection report.

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------|---|
| 696101216 | Site photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4903148 |