

On 11/25/2019, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at H&M Petroleum Corporation's State BDB 1 location in Logan County, Colorado.

This is a followup inspection to Doc. #682504101, #682504209 and #682504721 to document compliance for the following corrective actions:

1002.c: Protection of soils

1002.e: Surface disturbance minimization.

906.d(1): Removal of contaminated soils

It was documented that interim reclamation of the location has not been conducted pursuant to Rule 1003.b; drilling pit remains open; soils excavated at drilling remain unprotected pursuant to 1002.c, weed debris from the Location has been piled up and placed on the east end of the location and not properly disposed of pursuant to 603.f; equipment not needed for production is being stored on the north end of the location; vehicle use to the access road has not been restricted, access road disturbance has further expanded in violation of 1002.e(4); and additional disturbances at access road have not been reclaimed pursuant to 1000 series rules.

Additionally, per the Topsoil Violation Letter (Doc. No. 682504525), H & M Petroleum has been required to submit an additional reclamation bond. Operator was provided 45 days from October 9th, 2019 to submit the bond to financial assurance; bonding requirements were due November 23rd, 2019. It is noted that at this time, Operator has not submitted the additional bonding. It is also being noted that per COGCC Financial Assurance Staff, Operator, and the Operator's surety company, have been in communication with Staff, and that work is being made to provide bond.

The following alleged compliance issues were observed during this inspection:

603.f: Good Housekeeping

1002.c: Protection of soils

1002.e: Surface disturbance minimization

1003.b: Interim Reclamation

Refer to the "Location" and "Reclamation" section of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

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

Due to the significant nature, extent, or duration of alleged rule violations, this location is being referred for enforcement.

Location

Overall Good:

Signs/Marker:

Type	TANK LABELS/PLACARDS		
Comment:	Previous inspection documented incomplete signage on the red tank on the northeast end of the location. It was observed in this inspection that signage has been installed and complies with Rule 210.d.		
Corrective Action:		Date:	

Emergency Contact Number:

Comment:		Date:	
Corrective Action:		Date:	

Good Housekeeping:

Type	STORAGE OF SUPL		
Comment:	It was observed that Operator is storing various equipment (pipe, tubing) on the north end of the location. Equipment is not needed for production activities and needs to be removed and properly stored.		
Corrective Action:	Comply with Rule 603.f and properly remove and store equipment.	Date:	
Type	DEBRIS		
Comment:	It was observed that Operator appears to have cut and removed weed debris from the Location, and piled/placed debris on the east end of the location and adjacent lands off Location. This is an improper method to dispose of weed debris.		
Corrective Action:	Comply with 603.f and properly remove and dispose of weed debris.	Date:	

Overall Good:

Spills:

Type	Area	Volume		

In Containment: No

Comment: Previous inspections documented contaminated soils at the red tank on the northeast end of the location, and required operator to comply with 906.d(1).

Contaminated soils have been removed. Corrective action has been addressed.

Multiple Spills and Releases?

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities

Facility ID: 458288 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Facility ID: 458364 Type: WELL API Number: 075-09430 Status: PR Insp. Status: RI

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION Fail

Comment _____

Corrective Action **Copied from previous inspections:**

Inspection #682504209 documented that soil was excavated from the drill pit, however, topsoil and the subsoil horizons were not separated and stored or marked/documentd in accordance with Rule 1002.b.

Date _____

1002c. PROTECTION OF SOILS Fail

Comment **Previous inspections documented that the soil stockpile from the pit was loose, unstablized material and required operator to install BMPs to sufficiently stabilize the soil stockpile in accordance with 1002.c.**

It was observed in this inspection that no BMPs have been installed to sufficiently stabilzie the soil stockpile in accordance with 1002.c. It was also observed that Location is out of compliance with 1003 interim reclamation requirements (see below).

Until pit has been reclaimed pursuant to 1003 Rules, pit requires BMPs pursuant to 1002.c; original corrective action remains applicable.

Corrective Action **Comply with 1002.c and install BMPs to protect stockpiled soils from degradation due to contamination, compaction and, to the extent practicable, from wind and water erosion during drilling and production operations.**

Date _____

1002E. SURFACE DISTRURBANCE MINIMIZATION Fail

Comment **SEE "COGCC COMMENTS" FOR COMMENTS REGARDING ACCESS ROAD**

Corrective Action **Comply with Rule 1002.e and restrict vehicle use to the access road in order to mitigate additional unnecessary disturbances and alteration of natural features. Install BMPs to stop further disturbance and to ensure existing access road remains in proper functioning condition.**

Operator will be required to reclaim areas of off-road disturbances in accordance with COGCC 1000 series reclamation rules

Date **04/02/2019**

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment **See "Good Housekeeping"**

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment

Corrective Action

Date _____

Guy line anchors marked? _____

Comment

Corrective Action

Date _____

1003b. Area no longer in use? Fail Production areas stabilized ? Fail

1003c. Compacted areas have been cross ripped? Fail

1003d. Drilling pit closed? Fail Subsidence over on drill pit? _____

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? Fail

Production areas have been stabilized? Fail Segregated soils have been replaced? Fail

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation _____

1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment

Corrective Action

Date 06/27/2019

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND _____

Reminder: _____

Comment:

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: _____

Corrective Action: _____ Date: _____

Pits: NO SURFACE INDICATION OF PIT

Type: Drilling Pit Lined: YES Pit ID: _____ Lat: _____ Long: _____

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

Lining:

Liner Type: Plastic Liner Condition: _____

Comment: Plastic liner within drilling pit not in proper functioning condition. Ensure pit is sampled and complies with Table 910-1 standards in accordance with 1003.d(1).

Corrective Action _____ Date: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Corrective Action _____ Date: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Corrective _____ Date: _____

Anchor Trench Present: _____ Oil Accumulation: _____ 2+ feet Freeboard: _____

Comment: _____

Corrective _____ Date: _____

COGCC Comments

Comment	User	Date
<p>ACCESS ROAD COMMENTS</p> <p>Previous inspections documented that the access road has not been adequately constructed, and that Operator has travelled beyond the designated access road creating additional disturbances on the adjacent lands. Inspections required Operator to comply with Rule 1002.e and 1002.e(4) and restrict vehicle use to the designated access road in order to mitigate additional unnecessary disturbances and alteration of natural features. Operator was required to install BMPs to stop further disturbance and to ensure existing access road remains in proper functioning condition, and that the additional disturbance will require reclamation.</p> <p>It was observed in this inspection that Operator has failed to comply with 1002.e and corrective actions; vehicle travel beyond the designated access road onto adjacent lands has been allowed to continue, resulting in the access road being expanded; Access road has not been constructed and/or BMPs have not been installed to allow and restrict vehicle use to the designated access road; off-road disturbances have not been reclaimed.</p> <p>Original Corrective Action and Date has not been addressed and will remain applicable.</p>	trujilloam	11/27/2019
<p>RECLAMATION COMMENTS</p> <p>Pursuant to 1003.b, all disturbed areas affected by drilling or subsequent operations, except areas reasonably needed for production operations, shall be reclaimed as early and as nearly as practicable to their original condition or their final land use as designated by the surface owner and shall be maintained to control dust and minimize erosion to the extent practicable. Interim reclamation shall occur no later than six (6) months on non-crop land after such operations...</p> <p>COGCC Records show a rig release date of 12/02/2018 (Form 5 #401892120), and a first production date of 12/27/2018 (Form 5A #401892151). Interim reclamation should have occurred no later than June 27th, 2019.</p> <p>This location does not meet 1003.b reclamation requirements; drilling pit remains open and areas not needed for production operations have not been reclaimed.</p>	trujilloam	11/27/2019

Attached Documents

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

Document Num	Description	URL
402250233	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5000279
696200875	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5000278