

**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:

12/09/2019

Submitted Date:

12/26/2019

Document Number:

696200880

FIELD INSPECTION FORM

Loc ID 455471 Inspector Name: Trujillo, Aaron 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:

- 5 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 |
|--------------|-------|----------------------------------|---------|
| | | regulatory@foundationenergy.com | |
| | | dnr_cogccenforcement@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|--------------|--------|-------------|------------|---------|---------------------------|-------------|
| 455472 | TANK BATTERY | AC | 06/18/2018 | | - | Sooner North Tank Battery | RI |

General Comment:

On 9/9/2019, Reclamation Specialist Trujillo conducted a good housekeeping and stormwater inspection at Foundation Energy Management's Sooner North TB location in Weld County, Colorado.

This inspection is a follow-up to document compliance for the following corrective actions:

- 603.f: Noxious weed management
- 605: Equipment Maintenance
- 906.d.(1): Repair/install secondary containment.

It was documented in this inspection that noxious weed issues remain along access road and location, and that sufficient and ongoing noxious weed monitoring and management does not appear to be being conducted. It was also documented that final reclamation activities appear to be in process; production facilities have been removed. Corrective actions requiring compliance with Rule 605 and 906.d.(1) no longer applicable.

See the "Location" and "Reclamation" sections of this report.

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.

Location

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

| | |
|----------|---|
| Type | WEEDS |
| Comment: | <p>Previous inspections documented noxious weeds (Diffuse Knapweed, Centaurea diffusa) on location and required operator to conduct weed management and remove.</p> <p>Noxious weeds remain evident on the location. Operator has failed to conduct sufficient ongoing noxious weed monitoring and management required by previous inspection(s).</p> <p>Original corrective action and date remains applicable</p> |

Corrective Action: Properly remove and control noxious weeds. Ongoing weed management and monitoring is required, and needs to occur in accordance to COGCC rules and regulations.

Date: 06/22/2018

Overall Good:

Spills:

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

In Containment: No

Comment:

Multiple Spills and Releases?

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|------|---------|----------------------------|
| | | | | | |
| Comment: | <p>Previous inspection required Operator to comply with 605 rules on tanks of the Location. Final reclamation appears to be in process and production equipment have been removed from the Location. Corrective action is no longer applicable.</p> | | | | |
| Corrective Action: | | | | | Date: <input type="text"/> |

Paint

Condition:

Other (Content):

Other (Capacity):

Other (Type):

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|---|---------------------|---------------------|----------------------------|
| | | | | |
| Comment: | <p>Previous inspection required Operator to comply with Rule 906.d.(1). Final reclamation appears to be in process and production equipment and berms have been removed from the Location. Corrective action is no longer applicable.</p> | | | |
| Corrective Action: | | | | Date: <input type="text"/> |

Venting:

Yes/No

Comment:

| | | | |
|--------------------|--|-------|--|
| Corrective Action: | | Date: | |
|--------------------|--|-------|--|

Flaring:

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

Inspected Facilities

Facility ID: 455472 Type: TANK API Number: - Status: AC Insp. Status: RI

Reclamation - Storm Water - Pit

Interim Reclamation:

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

Land Use: _____

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

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? _____ Production areas stabilized ? _____
 1003c. Compacted areas have been cross ripped? _____
 1003d. Drilling pit closed? _____ 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? _____
 Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 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 _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

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

Final Land Use: _____

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 In _____ Locations, facilities, roads, recontoured In _____

Compaction alleviation _____ Dust and erosion control _____

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

Weeds present **Fail** _____ Subsidence _____

1004.d. FINAL VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____
 TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

Comment:

Final Reclamation activities appear to be in process; production equipment has been removed from the Location. Utility equipment (two poles, east end of the location), cattle guard remain and will require removal per 1000 Rules. Compaction alleviation, recontouring/regrading and revegetation activities have not been conducted at time of inspection. Noxious weeds remain evident (see good housekeeping).

Continue conducting reclamation pursuant to 1000 series rules. Ongoing noxious weed and stormwater management will need to be conducted until location receives a passing final reclamation inspection.

Corrective Action:

Date

Overall Final Reclamation

In Process

Well Release on Active Location

Multi-Well Location

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 696200881 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5022029 |