

**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:

01/07/2020

Submitted Date:

01/07/2020

Document Number:

679706859**FIELD INSPECTION FORM**Loc ID 314738 Inspector Name: Moran, Rick On-Site Inspection ☐ 2A Doc Num: \_\_\_\_\_**Operator Information:**OGCC Operator Number: 10725Name of Operator: VALKYRIE OPERATING LLCAddress: 1600 STOUT STREET SUITE 1000City: DENVER State: CO Zip: 80202**Status Summary:**

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

**Findings:**9 Number of Comments2 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                         |
|-----------------|--------------|-------------------------------|---------------------------------|
| Dunham, Tyson   | 307-388-2290 | tdunham@valkyrieoperating.com | <a href="#">All inspections</a> |
| Kellerby, Shaun | 970-712-1248 | shaun.kellerby@state.co.us    |                                 |

**Inspected Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 229453      | WELL | PR     | 10/01/2017  | OW         | 103-07109 | GOVT 1        | PR          |

**General Comment:**[COGCC Inspection Report Summary.](#)[On 1-7-2020 at approximately 14:30, inspector Rick Moran, conducted a follow up inspection at Valkyrie Operating well Government Hayes 1 in Rio Blanco county of FIR document 679705793.](#)[The following compliance issues were resolved:](#)

- [1\) Open top tank berm has a 3 foot wide section on the northeast that is inadequate.](#)
- [2\) Crude tank berm height inadequate on SE & SW side.](#)
- [3\) Water tank berm height inadequate on the north side.](#)
- [4\) All tank labels at battery incomplete.](#)

[Additional compliance issues:](#)

- [1\) Blow down tank has no label. Photo 5. Complete by 3-7-2020.](#)
- [2\) Blow down tank netting has large gap. Photo 6. Complete by 3-7-2020.](#)

[A follow up inspection will occur to ensure the compliance issues have been corrected to comply with COGCC rules.](#)[This is a summary of inspection report 679706859.](#)

**Location**Overall Good: ☒

|                      |   |       |            |
|----------------------|---|-------|------------|
| <b>Signs/Marker:</b> |   |       |            |
| Type                 | CONTAINERS                              |       |            |
| Comment:             |   |       |            |
| Corrective Action:   |   | Date: |            |
| Type                 | BATTERY                                 |       |            |
| Comment:             |   |       |            |
| Corrective Action:   |   | Date: |            |
| Type                 | TANK LABELS/PLACARDS                    |       |            |
| Comment:             | Blow down tank has no label.            |       |            |
| Corrective Action:   | Install sign to comply with Rule 210.d. | Date: | 03/07/2020 |
| Type                 | CONTAINERS                              |       |            |
| Comment:             |   |       |            |
| Corrective Action:   |   | Date: |            |

Emergency Contact Number:

Comment: 911

Corrective Action:

Date: \_\_\_\_\_

Overall Good: ☒

|                |      |        |  |
|----------------|------|--------|--|
| <b>Spills:</b> |      |        |  |
| Type           | Area | Volume |  |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

|                                   |  |       |                 |
|-----------------------------------|--|-------|-----------------|
| <b>Equipment:</b>                 |  |       | corrective date |
| Type: Horizontal Heated Separator | # 2  |       |                 |
| Comment:                          |  |       |                 |
| Corrective Action:                |  | Date: |                 |
| Type: Other                       | # 3  |       |                 |
| Comment:                          | Two equipment buildings.<br>One header with 13 flow lines. Three of the flow lines are disconnected. |       |                 |
| Corrective Action:                |  | Date: |                 |
| Type: Pump Jack                   | # 1  |       |                 |
| Comment:                          |  |       |                 |
| Corrective Action:                |  | Date: |                 |
| Type: Deadman # & Marked          | # 4  |       |                 |
| Comment:                          |  |       |                 |
| Corrective Action:                |  | Date: |                 |
| Type: Ancillary equipment         | # 6  |       |                 |

|                       |   |  |       |  |
|-----------------------|---|--|-------|--|
| Comment:              | At well conatiner of corrosion inhibitor with secondary containment.  |  |       |  |
|                       | At battery a container of propane. One container each of the following: industrial bactericide, combination inhibitor, scale inhibitor, demulsifier, and methanol all with secondary containment. |  |       |  |
| Corrective Action:    |   |  | Date: |  |
| Type: Bird Protectors | # 2   |  |       |  |
| Comment:              |   |  |       |  |
| Corrective Action:    |   |  | Date: |  |

**Tanks and Berms:**

|                    |   |          |          |         |                       |                  |
|--------------------|---|----------|----------|---------|-----------------------|------------------|
| Contents           | #   | Capacity | Type     | Tank ID | SE GPS                |                  |
| OTHER              | 1   | 500 BBLS | Open Top |         | 40.119000,-108.789810 |                  |
| Comment:           | Large gap in the netting on top of the tank.    |          |          |         |                       |                  |
| Corrective Action: | Install or repair wildlife protection equipment |          |          |         |                       | Date: 03/07/2020 |

Paint

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

Berms

|                    |          |                     |                     |             |                       |  |
|--------------------|----------|---------------------|---------------------|-------------|-----------------------|--|
| Type               | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |                       |  |
| Earth              | Adequate |                     |                     | Adequate    |                       |  |
| Comment:           |          |                     |                     |             |                       |  |
| Corrective Action: |          |                     |                     |             |                       |  |
| Date:              |          |                     |                     |             |                       |  |
| Contents           | #        | Capacity            | Type                | Tank ID     | SE GPS                |  |
| PRODUCED WATER     | 2        | 500 BBLS            | FIBERGLASS AST      |             | 40.119530,-108.790790 |  |
| Comment:           |          |                     |                     |             |                       |  |
| Corrective Action: |          |                     |                     |             |                       |  |
| Date:              |          |                     |                     |             |                       |  |

Paint

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

Berms

|                    |          |                     |                     |             |                       |  |
|--------------------|----------|---------------------|---------------------|-------------|-----------------------|--|
| Type               | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |                       |  |
| Earth              | Adequate |                     |                     | Adequate    |                       |  |
| Comment:           |          |                     |                     |             |                       |  |
| Corrective Action: |          |                     |                     |             |                       |  |
| Date:              |          |                     |                     |             |                       |  |
| Contents           | #        | Capacity            | Type                | Tank ID     | SE GPS                |  |
| CRUDE OIL          | 3        | 500 BBLS            | STEEL AST           |             | 40.118770,-108.790010 |  |
| Comment:           |          |                     |                     |             |                       |  |

|                    |  |                     |             |
|--------------------|--|---------------------|-------------|
| Corrective Action: |  | Date:               |             |
| <b>Paint</b>       |  |                     |             |
| Condition          | Adequate   |                     |             |
| Other (Content)    |  |                     |             |
| Other (Capacity)   |  |                     |             |
| Other (Type)       |  |                     |             |
| <b>Berms</b>       |  |                     |             |
| Type               | Capacity   | Permeability (Wall) | Maintenance |
| Earth              | Adequate   |                     | Adequate    |
| Comment:           |  |                     |             |
| Corrective Action: | Date:  |                     |             |
| <b>Venting:</b>    |  |                     |             |
| Yes/No             |  |                     |             |
| Comment:           | No gas stream was visible venting into the blow down tank during the inspection. |                     |             |
| Corrective Action: | Date:  |                     |             |
| <b>Flaring:</b>    |  |                     |             |
| Type               |  |                     |             |
| Comment:           |  |                     |             |
| Corrective Action: | Date:  |                     |             |

| Inspected Facilities |        |       |      |             |           |         |    |               |    |
|----------------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID:         | 229453 | Type: | WELL | API Number: | 103-07109 | Status: | PR | Insp. Status: | PR |
| Producing Well       |        |       |      |             |           |         |    |               |    |
| Comment:             | PR     |       |      |             |           |         |    |               |    |
| 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 |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|---------|
|                  |                 |                         |                       | Material Handling And Spill Prevention | Pass                     |         |

Comment: Corrective Action: Date: **Pits:** ☒ NO SURFACE INDICATION OF PIT**Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description          | URL   |
|--------------|----------------------|---|
| 402279751    | INSPECTION SUBMITTED | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5030836">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5030836</a> |
| 679706860    | inspection photos    | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5030832">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5030832</a> |