

**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:

08/31/2020

Submitted Date:

09/01/2020

Document Number:

696201671

FIELD INSPECTION FORMLoc ID 422990 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 77330

Name of Operator: SG INTERESTS I LTD

Address: 100 WAUGH DR SUITE 400

City: HOUSTON State: TX Zip: 77007

Status Summary:

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

Findings:

5 Number of Comments

3 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
,	970-385-0696	inspection@sginterests.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
422990	LOCATION	AC			-	HL 11-89-19 1	RI
422991	WELL	XX	06/05/2017	LO	051-06101	HL 11-89-19 1	RI

General Comment:

On 8/31/2020, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at SG Interests' HL 11-89-19 #1 location in Gunnison County, Colorado.

This inspection is a followup to inspection #696201322, to document compliance with the following corrective actions:

1003.f: Noxious weed control

1002.f.(2)C: Stormwater

This inspection is also in response for Resolution Form #402463889 stating corrective actions have been addressed

It was observed in this inspection that the Location remains out of compliance with 1002.f.(2)C, 1003.f and corrective actions.

It was also observed that this Location is out of compliance with the Delayed IR NTO and COAs.

Refer to the "Good Housekeeping", "Reclamation" and "Stormwater" sections 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.

LocationOverall Good: ☐**Signs/Marker:**

Type	OTHER		
Comment:	<p>Pursuant to the Interim Reclamation Procedures for Delayed Operations NTO, and COAs from Form 4 Nos. 401293533 and 402247341, Operator was required to post a sign at the location entrance stating the following: " A COGCC variance has been approved to delay the commencement of interim reclamation to no later than February 5, 2023".</p> <p>It was observed in this inspection that no signage has been installed at the Location entrance.</p>		
Corrective Action:	<p>Comply with requirements per the NTO and COAs, and install signage.</p> <p>A CA date of 9/12/2019 is being provided as this was the date the initial variance request was approved, and signage made a requirement per the NTO, and per COAs.</p>	Date:	09/12/2019

Emergency Contact Number:

Comment:		
Corrective Action:		Date: _____

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Venting:**

Yes/No		
Comment:		
Corrective Action:		Date:

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities									
Facility ID:	422990	Type:	LOCATION	API Number: -	Status:	AC	Insp. Status:	RI	
Facility ID:	422991	Type:	WELL	API Number:	051-06101	Status:	XX	Insp. Status:	RI

Reclamation - Storm Water - Pit**Interim Reclamation:**

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

Land Use: IMPROVED PASTURE, IRRIGATED, OTHER

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____

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 REVEGETATIONCropland

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? _____ F _____

Comment

Inspection #696201322 observed that the Location is out of compliance with Rule 1003.f "Weed Control"; Canada thistle rosettes observed within ditch on the North end of the pad. Operator was required to comply with Rule 1003.f and conduct weed management by 6/13/2020.

Operator submitted resolution form #402463889 stating weeds were sprayed on 6/13/2020.

It was observed in this inspection that initial weed management efforts appear insufficient; Viable Canada thistle plants remains evident within the northern ditch and are continuing to establish. Other noxious weeds, including Field Bindweed and Houndstongue were also observed on the perimeter of the Location.

Corrective Action

Comply with Rule 1003.f and conduct weed management. Ongoing weed monitoring/management is required until Location passes final reclamation.

Date **09/08/2020**

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

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

Final Land Use: IMPROVED PASTURE, IRRIGATED

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: Inspection #696201322 observed erosion degradation on the northern cut slopes, and that BMPs were missing or insufficient to protect and stabilize the slopes. Operator was required to comply with Rule 1002.f.(2)C by 6/13/2020.

Operator submitted resolution form #402463889 stating "onsite run-on impacts above irrigation ditch have been repaired" on 6/13/2020.

It was observed in this inspection that Operator appears to have placed soil onto the cut slopes to fill erosion previously observed, however, no BMPs appear to have been installed to protect and stabilize the slopes per the corrective action.

Original corrective action and date remains applicable.

Corrective Action: Install or repair required BMPs in accordance with good engineering practices per Rule 1002.f.(2)C.

Date: 06/13/2020

Pits: ☐ NO SURFACE INDICATION OF PIT**Attached Documents**

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

Document Num	Description	URL
402480029	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5237080
696201672	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5237073