

**FORM
INSP**Rev
X/20**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:

04/26/2022

Submitted Date:

04/29/2022

Document Number:

687400833**FIELD INSPECTION FORM**Loc ID 319647 Inspector Name: Huck, Keith On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10017Name of Operator: CHACO ENERGY COMPANYAddress: P O BOX 1587City: DENVER State: CO Zip: 80201**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**13 Number of Comments6 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
Nelson, Kurt	(303) 744-1480	kurt@chacoenergy.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
200687	WELL	PR	11/01/2021	OW	001-06090	UPRR-HOLMQUIST 1-1	PR

General Comment:

Location

Overall Good: ☒

Signs/Marker:			
Type	BATTERY		
Comment:	Adequate		
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:	Adequate		
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:	Adequate		
Corrective Action:		Date:	

Emergency Contact Number:

Comment: Adequate

Corrective Action:

Date: _____

Good Housekeeping:

Type	OTHER		
Comment:	Stained soil identified at various locations through out location.		
Corrective Action:	Conduct maintenance on equipment, cleanup stained material and review self inspection processes. 1002..(2).D	Date:	05/06/2022
Type	STORAGE OF SUPL		
Comment:	Sheet metel in separator house		
Corrective Action:	Comply with Rule 606	Date:	05/31/2022

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment:

☐ Multiple Spills and Releases?**Equipment:**

			corrective date
Type: Pump Jack	# 1		
Comment:	Stuffin box leaking fluid all over well and ground. Operator was contacted and I was told they would go out right away to address this matter.		
Corrective Action:	Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e.		Date: 04/27/2022
Type: Deadman # & Marked	# 4		
Comment:			
Corrective Action:			Date:

Type: Bird Protectors	# 1	
Comment:		
Corrective Action:		Date:
Type: Bradenhead	# 1	
Comment:		
Corrective Action:		Date:

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	100 BBLs	Open Top		,
Comment:	Hydrocarbons observed on pit. Review and modify facility operations to ensure no oil or condensate accurate on pit. See attached pictures				
Corrective Action:	Remove oil from pit per Rule 909.e.				Date: 05/02/2022

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate	
Comment:					
Corrective Action:	Date:				
Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	2	500 BBLs	STEEL AST		39.899276,-104.164444
Comment:	Production facility is clearly visible from a public highway, road, or publicly-maintained trail. Facility paint is not uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to but slightly darker than the surrounding landscape. See attached pictures Dirt below production tanks is getting blown away and creating a gap underside of tanks. See attached pictures. Small leak on north production tank. See attached pictures.				
Corrective Action:	Paint production facilities per Rule 425. Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e.				Date: 09/29/2022

Paint

Condition	Inadequate
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
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Inspector Name: Huck, Keith

Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate	
Comment:					
Corrective Action:					Date:

Wells Served By Facilities Above

AirsID

API Number

API Number

AirsID

001-06090

Venting:

Yes/No	YES		
Comment:	Gas being vented from open top pit during non-upset condition without prior approval from COGCC. Video captured with Optical Gas Imaging Camera.		
Corrective Action:	Immediately cease venting.		Date: 05/02/2022

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities

Facility ID: 200687 Type: WELL API Number: 001-06090 Status: PR Insp. Status: PR

Producing WellComment: PR

Corrective Action:

Date:

COGCC Comments

Comment	User	Date
<p>COGCC Inspection Report Summary</p> <p>On (Tuesday) (04/26/2022) at approximately (11:18am), I, Inspector (Keith Huck), conducted an on-site inspection at (Holmquist UPRR1-1) (Chaco Energy Company), at (Location#319647) in (Adams,County) Colorado.</p> <p>While there, I observed a Production Facility</p> <p>During this inspection the following possible compliance issues were observed:</p> <p>Sheet metal in separator house. Comply with Rule 606</p> <p>Stained soil identified at various locations through out location.</p> <p>Conduct maintenance on equipment, cleanup stained material and review self inspection processes.</p> <p>1002..(2).D</p> <p>Stuffing box leaking fluid all over well and ground. Operator was contacted and I was told they would go out right away to address this matter.</p> <p>Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e.</p> <p>Production facility is clearly visible from a public highway, road, or publicly-maintained trail.</p> <p>Facility paint is not uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to but slightly darker than the surrounding landscape.</p> <p>See attached pictures Paint production facilities per Rule 425.</p> <p>Dirt below production tanks is getting blown away and creating a gap underside of tanks.</p> <p>See attached pictures.</p> <p>Small leak on north production tank. See attached pictures.</p> <p>Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e.</p> <p>Hydrocarbons observed on pit. Review and modify facility operations to ensure no oil or condensate accurate on pit. Remove oil from pit per Rule 909.e.</p> <p>Gas being vented from open top pit during non-upset condition without prior approval from COGCC. Video captured with Optical Gas Imaging Camera. Immediately cease venting.</p> <p>903.d.(2)</p> <p>A follow up on this site inspection needs to be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.</p> <p>This is a summary of inspection report.</p>	huckk	04/29/2022

Attached Documents

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

Document Num	Description	URL
403032536	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5739238
687400834	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5739237