

**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:

03/31/2023

Submitted Date:

04/04/2023

Document Number:

696204815

FIELD INSPECTION FORMLoc ID 322414 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 51130

Name of Operator: LOCIN OIL CORPORATION

Address: 600 TRAVIS ST STE 6161

City: HOUSTON State: TX Zip: 77002

Status Summary:☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**

16 Number of Comments

5 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 |
|---------------|-------|------------------------|---------|
| | | taylor.elm@state.co.us | |
| Toews, Wesley | | wtoews@blm.gov | |
| | | hsirvent@locinoil.com | |
| | | dbenedict@locin.energy | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|--------------------------|-------------|
| 210444 | WELL | SI | 06/01/2020 | GW | 045-06200 | FEDERAL 12-3 | RI |
| 322414 | LOCATION | AC | | | - | FEDERAL-68S104W 3SWNW | RI |

General Comment:

On 3/31/2023, Reclamation Specialist Trujillo inspected Locin Oil Corporation's FEDERAL #12-3 Location in Garfield County, Colorado.

Location Federal Surface/Federal Mineral.

The following compliance issues were observed during this inspection:

- Wildlife Mortality
- Inadequate wildlife protection BMPs
- Inadequate containment BMP
- Tank signage/labeling
- Stormwater

Refer to the "Location", "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 inspection on this site will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

| Location | | | |
|--|---|--------|------------------|
| Lease Road: | | | |
| Type | Access | | |
| comment: | See "Stormwater" for issues related to the access road. | | |
| Corrective Action | L | | Date: |
| Overall Good: <input type="checkbox"/> | | | |
| Signs/Marker: | | | |
| Type | CONTAINERS | | |
| Comment: | Label information at what appears to be the methanol tank/container stored adjacent to wellhead no longer legible. | | |
| Corrective Action: | Comply with Rule 605.h | | Date: 05/04/2023 |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Signage at the produced water tank posted with incorrect Operator information. | | |
| Corrective Action: | Comply with 605.h | | Date: 05/04/2023 |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Emergency Contact Number: | | | |
| Comment: | 970-858-7549/911 | | |
| Corrective Action: | | | Date: _____ |
| Overall Good: <input type="checkbox"/> | | | |
| Spills: | | | |
| Type | Area | Volume | |
| In Containment: No | | | |
| Comment: | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | |
| Fencing/: | | | |
| Type | TANK BATTERY | | |
| Comment: | Hog Paneling | | |
| Corrective Action: | | | Date: |
| Type | WELLHEAD | | |
| Comment: | Hog Paneling | | |
| Corrective Action: | | | Date: |
| Equipment: | | | |
| Type: Other | # | | corrective date |
| Comment: | It was observed in this inspection that the wildlife protection BMPs (Netting) at the pit is in disrepair; holes/tears within netting observed. | | |
| Corrective Action: | Install or repair wildlife protection equipment. | | Date: 04/07/2023 |

| | | |
|--------------------|--|------------------|
| Type: Other | # | |
| Comment: | It was observed in this inspection that wildlife protection BMPs at the methanol tank have not been installed or maintained in such a manner that minimizes adverse impacts to wildlife resources; wire fencing used has not been properly secured, or contain holes, which has resulted in bird mortality within the secondary containment; bird species observed appears to be Spotted Towhee (Pipilo maculatus). This issue has been forwarded to CPW and USFWS. | |
| Corrective Action: | Install or repair wildlife protection equipment. | Date: 04/07/2023 |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|--|-----------|-----------|---------|--------|
| PRODUCED WATER | 1 | <100 BBLS | STEEL AST | | , |
| Comment: | See "Signs/Markers" for labeling requirements. | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|--------|
| Condition | |
| Other (Content) | |
| Other (Capacity) | 95 BBL |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|--|---------------------|---------------------|-------------|
| Earth | | | | |
| Comment: | Containment BMP appeared to be in proper functioning condition at time of inspection. However additional compaction may be necessary due to shrinkage/expansion from freezing/thawing of soils | | | |
| Corrective Action: | | | | Date: |

Venting:

| | | |
|--------------------|--|-------|
| Yes/No | | |
| Comment: | | |
| Corrective Action: | | Date: |

Flaring:

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

Inspected FacilitiesFacility ID: 210444 Type: WELL API Number: 045-06200 Status: SI Insp. Status: RI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____Comment: Records show well status of "Shut In" since June 2020. Form 5B 403291584 on file per Inactive Well requirements.

Operator submitted Form 4 #403053845 requesting approval of alternative MIT based on bradenhead testing. Sundry was approved with conditions requiring annual bradenhead tests reported on a Form 17.

Last test date 5/06/2022; 2023 bradenhead test required no later than 5/06/2023

Corrective Action: _____ Date: _____

Facility ID: 322414 Type: LOCATION API Number: - Status: AC Insp. Status: RI

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 | Fail | Methanol Tank |
| | | | Fail | | | Access road |

Comment: [See "COGCC Comments" for Stormwater comments.](#)

Corrective Action: **Ensure containment BMP remains adequate to contain a spill; remove and properly dispose fluids from containment.**

Comply with Rule 1002.f.(2) and install or repair required BMPs, including vehicle tracking controls, at the access road to minimize erosion, degradation and sediment transport. Ensure BMPs are implemented in accordance with good engineering practices, and maintained in proper functioning condition; Ensure access road is properly engineered/maintained in such a manner that minimizes erosion, alteration of natural features, degradation, and impacts to Waters of the State (Salt Creek).

Ongoing stormwater monitoring/management is required until Location receives a passing final reclamation inspection.

Date: 04/07/2023

Pits: ☐ NO SURFACE INDICATION OF PIT

| Permit: | Facility ID | Permit Num | Expiration Date |
|---------|-------------|------------|-----------------|
| | 119478 | 400994448 | |
| | 119477 | 400994252 | |
| | 119478 | 400994448 | |

COGCC Comments

| Comment | User | Date |
|--|------------|------------|
| <p>STORMWATER COMMENTS</p> <p>It was observed in this inspection that the containment BMP at the methanol tank has filled with fluids, and is no longer adequate to contain a spill. See "Equipment" for CA regarding wildlife mortality.</p> <p>It was also observed in this inspection that vehicle tracking BMPs, and BMPs to control stormwater in a manner that minimizes erosion, degradation and sediment transport are missing or insufficient at the access road.</p> <p>-Runoff from Location and access road has resulted in gully erosion/degradation throughout the access road.</p> <p>-There are areas where the access road runs parallel to the "Salt Creek" drainage, where stormwater degradation is evident and road stabilization concerns exist; continued lack of stormwater management will likely result in a section of the access road sloughing into Salt Creek.</p> <p>-Access road lacks stabilization; tracking controls missing or insufficient; rutting/degradation observed</p> | trujilloam | 04/04/2023 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 696204816 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6072276 |

