

**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:

08/22/2024

Submitted Date:

09/11/2024

Document Number:

696206210**FIELD INSPECTION FORM**Loc ID 485573 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**ECMC Operator Number: 10421Name of Operator: PETROLEUM RESOURCE MANAGEMENT CORPAddress: 1110 SOUTH VINE STREETCity: DENVER State: CO Zip: 80210**Status Summary:**

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

Findings:21 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
		hhill@fieldinghillllc.com	
		dnr_cogccenforcement@state.co.us	
		chris@fieldinghillllc.com	
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
Kirschner, Steven		steven.kirschner@state.co.us	
Waldron, Emily		emily.waldron@state.co.us	
Maxwell, Logan		logan.maxwell@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
485573	LOCATION	AC	11/21/2023		-	Duncan Unpermitted Pad	RI

General Comment:

On 8/22/2024, Western Reclamation Work Lead Trujillo, Reclamation Specialist Maxwell and Location Assessment Specialist Fletcher met with Petroleum Resource Management Corp representatives (Chris Cooper, John Carmony, Matt Cummings, J.D.Bush) at an unpermitted Oil and Gas Location referred to as the "Duncan Unpermitted Pad" in Moffat County, Colorado.

As documented by Inspection #696205712 dated 10/17/2023, Petroleum Resource Management conducted Oil and Gas disturbances without receiving an approved Oil and Gas Development Plan, and an Oil and Gas Assessment Permit (Form 2A) for the Duncan Unpermitted Pad Location and associated flowline system.

This inspection is a follow-up to Inspection Nos. 696205712 and 696205931 to determine compliance with the following corrective actions:

- Signage requirements
- Topsoil salvage and protection of soils
- Stormwater
- Surface Disturbance Minimization
- Impacts to wetlands and riparian habitats
- Wildlife protections and mitigation plan within High Priority Habitat.

This inspection is also in response to NOAV #403890794 issued 8/15/2024.

The following new compliance issues were observed during this inspection:

- Weeds

Location is Fee Surface, Federal Minerals. Location and associated flowline system are within the following High Priority Habitats: Elk Migration Corridor; Elk Production Area; Elk Severe Winter Range; Mule Deer Severe Winter Range; Mule Deer Winter Concentration Area; Aquatic Sportfish Management Waters; Aquatic Native Species Conservation Waters; Aquatic Cutthroat Trout Designated Crucial Habitat. Location also within other Consultation Habitats, including Columbian Sharp Tailed Grouse Winter Range (a Colorado State species of concern). Location is approximately 1.4 miles from a known Columbian Sharp Tailed Grouse NSO Lek Site buffer, and there are 3 other known lek sites also within relatively close proximity to the Location and flowline system disturbance.

This inspection does not identify all the alleged compliance issues associated with this Location (e.g. permitting requirements, etc...), rather, only the compliance issues that were apparent at time of the inspection.

Due to the nature of the issues associated with this Location, this site will be considered "Out of Compliance" with ECMC Rules and Regulations until, at a minimum, all permitting and compliance issues have been resolved. Corrective action dates are not being provided within this Report, as many issues can not be resolved until the approval of an OGD and 2A.

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

Type	OTHER		
Comment:	Signage has been posted at the intersection of the lease and public road pursuant to Rule 412.		
Corrective Action:		Date:	
Type			
Comment:	A copy of the approved Form 2A, and any Form 4 modifying the approved Form 2A, will be posted in a protected and conspicuous place on location upon commencement of operations with heavy equipment until the conclusion of interim Reclamation. Operator conducted construction activities of the Location prior to receiving a Form 2A Location permit.		
Corrective Action:	Pursuant to Rule 406.c, a copy of the approved Form 2A, and any Form 4 modifying the approved Form 2A, will be posted in a protected and conspicuous place on location upon commencement of operations with heavy equipment until the conclusion of interim Reclamation.	Date:	01/01/1111
Type	OTHER		
Comment:	Topsoil stockpile		
Corrective Action:		Date:	
Type	OTHER		
Comment:	Signage has been posted at the entrance of the Location pursuant to Rule 605.a, and includes the following information: (1) Oil and Gas Location name; (2) Commission's assigned Oil and Gas Location identification number (ID #); (3) The Operator's telephone number where it may be reached at all times; and (4) Telephone number(s) for local emergency services (911 where available).		
Corrective Action:		Date:	

Emergency Contact Number:

Comment:	303-861-9480 (Location Signage) 901-560-1741 - Sigage posted on tanks stored on Location.		
Corrective Action:		Date:	

Good Housekeeping:

Type	WEEDS		
Comment:	Noxious weeks (Musk Thistle, Bull Thistle) observed establishing within areas of the Operator's disturbances, including the Location and Flowline System disturbance. Operator on site was provided notice of the weed issues and management requirements.		
Corrective Action:	Comply with Rules 1003.f and 606.c. Ongoing weed management required.	Date:	09/18/2024

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

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

Type:	#		corrective date
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Comment:	Inspection #696205712 observed that Operator placed 11 steel tanks on the Location tanks were open at the manhole, or other areas of the tanks; Tanks were not properly closed, covered, or lack other BMPs to prevent unauthorized access by people or wildlife.			
	It was observed in this inspection that the tanks have been closed and/or covered to prevent access by wildlife. This issues has been resolved.			
	Ensure covers are maintained, and tanks remain properly closed to prevent unauthorized access by people or wildlife.			
Corrective Action:			Date:	
Type:		#		
Comment:	Pursuant to Condition #7 provided to PRM in ECMC email correspondence dated 10/19/2023, PRM shall ensure that "All other equipment on locations will also be properly secured to the ground".			
	On 10/17/2023, ECMC Staff inspected the Location and observed O&G equipment stored on the Location, including a vertical heater treater on the northwest corner of the Location.			
	Inspection #696205931 observed that the vertical heater treater equipment has since been "blown over" and off the concrete base it was placed on; Operator failed to properly secure the equipment to the ground.			
Corrective Action:	Pursuant to Condition #7 provided to PRM in ECMC email correspondence dated 10/19/2023, PRM shall ensure that "All other equipment on locations will also be properly secured to the ground".		Date:	01/01/1111

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Location Construction

Location ID: 485573 CDP: _____

Comment:	Operators will provide the Commission written notice 2 business days in advance of commencing construction or a major change at any Oil and Gas Location or Oil and Gas Facility. Such notice will be provided on a Form 42, Field Operations Notice – Notice of Construction or Major Change. Based on Satellite imagery, construction of the Location commenced at some point between 7/30/2023 and 8/9/2023. Operator failed to provide written notice of construction via a Form 42.		
Corrective Action:	Pursuant to Rules 405.b and 406.b, Operators will provide the Commission written notice 2 business days in advance of commencing construction or a major change at any Oil and Gas Location or Oil and Gas Facility. Such notice will be provided on a Form 42, Field Operations Notice – Notice of Construction or Major Change.		Date: _____

Form 2A COAs:

Comment:			
Corrective Action:			Date: _____

Wildlife BMPs:

Comment:			
Corrective Action:			Date: _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
DITCHES	Yes		
Comments:	<p>Erosion BMPs: Cobmination ditch/berm has been implemented along the perimeter of the working pad surface in order to manage runoff from the pad. BMP has been implemented in conjunction with rock checks and armored outlets that divert stormwater down the fill slope and to the perimeter ditch/berm at the toe of the Location.</p> <p>Other BMPs:</p>		
Corrective Action:		Date:	
SILT FENCES	Yes		
Comments:	<p>Erosion BMPs: Silt fences implemented along areas of the pipeline corridor have been maintained, and areas have been fenced to prevent wildlife access.</p> <p>Other BMPs:</p>		
Corrective Action:		Date:	
		Vehicle Trakcing	Yes
Comments:	<p>Erosion BMPs: A vehicle track pad aproximately 15 feet in length has been constructed with use of multi-angular rock and geotextile at the location entrance.</p> <p>Other BMPs:</p>		
Corrective Action:		Date:	
WADDLES	Yes		
Comments:	<p>Erosion BMPs: Erosion Logs implemented along areas of the flowline system disturbance, including the constructed access road, have been maintained; areas have been fenced to prevent wildlife access.</p> <p>Other BMPs:</p>		
Corrective Action:		Date:	
DITCHES	Yes		
Comments:	<p>Erosion BMPs: Combination ditch and berm implemented along the perimeter of the Location. Outlets constructed on the southern and northwest ends of the Location with use of geotextile and multi-angular rocks. Erosion blankets have been installed along the berm.</p> <p>Other BMPs: It is noted that the BMPs have been constructed with topsoil material. This resource is being considered "lost" and will be addressed during topsoil improtation requirements on the Location.</p>		
Corrective Action:		Date:	
	Yes		
Comments:	<p>Erosion BMPs: Erosion blankets previously observed along the cut and fill slopes of the Location have since been removed. Erosion degradation issues identified in inspection #696205931 have been repaired, and Operator has implemented seeding in conjunction with a hydromulch to stabilize the slopes. Stormwater diversion BMPs have also implemented at the top of the slopes to ensure runoff is appropriately diverted.</p> <p>Other BMPs:</p>		
Corrective Action:		Date:	
Comment:	Stormwater issues pursuant to Rule 1002.f have been resolved at the Location. Continue to monitor and manage disturbed areas for stormwater, ensure BMPs are maintained in proper functioning condition per good engineering requirements.		
Corrective Action:			Date:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____
Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____
Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____
Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Inspected Facilities									
Facility ID:	485573	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	RI
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12									

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 _____ Fail _____

Comment _____

[See "1002.b-Soil Removal and Segregation" under "COGCC Comments" at the end of this report, for comment regarding topsoil.](#)

Corrective Action _____

[Comply with NOAV #403890794 abatement or corrective action requirements.](#)

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

[See "1002.e -Surface Disturbance Minimization" under "COGCC Comments "at the end of this report, for comment regarding Surface Disturbance Minimization.](#)

Corrective Action _____

[Comply with NOAV #403890794 abatement or corrective action requirements.](#)

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? _____

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 _____ 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 ☐

ECMC Comments

Comment	User	Date
<p>1002.b-SOIL REMOVAL AND SEGREGATION</p> <p>Pursuant to Rule 1002.b.(2), Operator shall separate and store the topsoil horizon or the top six (6) inches, whichever is deeper.</p> <p>As stated within Inspection #696205712, with use of a sUAS, ECMC Staff measured the disturbance area and topsoil stockpiles on the Location, and determined that Operator had salvaged and stored ~1,809 cubic yards of topsoil material on the north end of the site. The pad, and areas of the Location subject to soil salvage requirements were measured to be 4.85 acres; at a minimum of 6", it is expected that at least 3,908 cubic yards of topsoil should have been salvaged and stored on the Location. Intact vegetation evident at the toe of the slopes, partially covered with fill material also indicates that not all of the topsoil had been salvaged and segregated. Inspection also observed that Operator utilized topsoil material at the base of the fill slopes/subsoils of the Location as part of the Operator's Stormwater BMPs (Ditch/Berm/Outlets) to manage stormwater runoff along the perimeter of the Location; topsoil is not an appropriate material to construct stormwater control measures; topsoil is at risk of degradation/contamination, and loss/displacement due to stormwater discharge; use of topsoil as stormwater control measures does not comport with Rule 1002.b and 1002.c.</p> <p>Operator has failed to ensure all topsoil is properly salvaged, segregated and stored pursuant to Rule 1002.b.(2).</p> <p>Pursuant to NOAV #403890794, Operator shall submit a detailed topsoil plan attached to a Form 4 Sundry to ECMC Reclamation Staff. The plan shall comply with the information requirements as detailed within the "Rule 304.c.(14) Topsoil Protection Plan" guidance document, including an analysis of topsoil depths, cubic yards of soil not salvaged, and of soil quality. Based on the topsoil data provided, Operator will be required to import and store replacement topsoil material on the Location; to supplement the topsoil volume lost during the construction of the location in order to comply with Rule 1002.b.</p>	trujilloam	09/10/2024

1002.E- SURFACE DISTURBANCE MINIMIZATION	trujilloam	09/10/2024	
<p>In order to reasonably minimize land disturbances and facilitate future reclamation, well sites, production facilities, gathering pipelines, and access roads shall be located, adequately sized, constructed, and maintained so as to reasonably control dust and minimize erosion, alteration of natural features, removal of surface materials, and degradation due to contamination. Operators shall avoid or minimize impacts to wetlands and riparian habitats to the degree practicable. Operators shall implement BMPs in accordance with good engineering practices, including measures such as erosion controls designed to minimize erosion from unpaved areas, including road surfaces and associated culverts, and stream crossings.</p> <p>Previous inspections observed that Operator constructed a pipeline leading to and from the Duncan Unpermitted Facility; pipeline travels south approximately 4 miles, and crosses multiple drainages and Wetland (Riverine) corridors with an ECMC designation of “Aquatic High Priority habitats”, including Aquatic Sportfish Management Waters, Aquatic Native Species Conservation Waters and Aquatic Cutthroat Trout Designated Crucial Habitat. Part of the construction also included new roads with stream crossings.</p> <p>Inspection also observed that some reclamation along the pipeline is apparent, such as replacement of soils. However, stormwater erosion control measures to manage runoff in a manner that minimizes erosion, degradation and sediment transport were missing or insufficient throughout the pipeline disturbance, and associated access road stream crossings.</p> <p>NOAV #403890794 was issued 8/15/2024 with the following abatement/corrective action:</p> <p>Operator shall comply with the requirements of Rule 1002.e. and Rule 1002.f.(2). Operator shall engineer, construct and maintain a stream crossing. Operator shall implement and maintain BMPs, in accordance with good engineering practices, to control potential sediment discharges, minimize erosion and degradation from unpaved areas including operational roads, stream crossings, and cut/fill slopes.</p> <p>It was observed in this inspection that BMPS along the access road, pipeline and spring have been maintained; areas have also been fenced to restrict livestock access, and to prevent vehicles from accessing the stream crossing. It is noted that an engineered stream crossing remains missing from the access road and Operator was reminded of the NOAV CA requirements at time of inspection. Operator on site indicated that an "engineered culvert bridge" has been planned for the crossing; Staff directed Operator to submit the plans attached to a Form 4; Operator submitted Form 4 #403903426 on 8/28/2024. Plans are currently under review by ECMC Staff. Note- approval of the Form 4 does not resolve Rule 1002.e and NOAV corrective action requirements.</p>			

Attached Documents

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

Document Num	Description	URL
696206211	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6701548