

**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:

10/10/2024

Submitted Date:

10/17/2024

Document Number:

710100288

FIELD INSPECTION FORM

Loc ID _____ Inspector Name: Anderson, Laurel On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

ECMC Operator Number: 46290
Name of Operator: KP KAUFFMAN COMPANY INC
Address: 1700 LINCOLN ST STE 4550
City: DENVER State: CO Zip: 80203

Findings:

- 18 Number of Comments
- 9 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
Kauffman, KPK		cogcc@kpk.com	All Inspections
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
Rollins, Grace		grace.rollins@state.co.us	
MacLaren, Joe		joe.maclaren@state.co.us	
Watzman, Ross	(303) 825-4822	rwatzman@kpk.com	all inspections.
Brown, Kari		kari.oakman@state.co.us	
Peterson, John	303-550-8872	jpeterson@kpk.com	Director EHS & Compliance
Graber, Nikki		nikki.graber@state.co.us	
Freese, Steve		steve.freese@state.co.us	Mineral Field Specialist

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
239942	WELL	SI		OW	123-07730	DECHANT-STATE 1	SI
240209	WELL	PR		OW	123-07997	DECHANT-STATE 3	PR
241066	WELL	PR		OW	123-08854	DECHANT - STATE 7	PR
475719	LOCATION	AC			-	Dechant State 1,2,3,4,5,6,7	EI
475722	OFF-LOCATION FLOWLINE	AC	01/07/2021		-	Wellhead Line 1,2,3,4,5,6,7	EI
487984	SPILL OR RELEASE	AC			-	Dechant State 3 Flowline	EI

General Comment:

This is an environmental inspection for Spill ID 487984/Dechant State 3 Flowline, Dechant State 3, Dechant State 7 and Dechant State 1 wellheads, and the Dechant State #1,2,3,4,5,6,7 Tank Battery (Location ID 475719). All unaddressed and/ongoing COAs, CAs and comments from previously approved and/or denied forms, and field inspection reports remain applicable. Photos attached to document site conditions at the spill on 10/10/2024 and 10/15/2024 and site conditions at the wellheads and tank battery only on 9/23/2024.

Spill ID 487984

Spill Name: Dechant State 3 Flowline

Flowline Facility ID: 475722

Reported Date of Discovery: 9/20/2024

ECMC Environmental Protection Specialists Laurel Anderson and Grace Rollins arrived at the spill at approximately 13:45 pm on October 10th, 2024. Crews were on location at the time of inspection.

ECMC Environmental Protection Specialist Laurel Anderson along with ECMC DJ Basin Environmental Supervisor, Nikki Graber, and ECMC Environmental Manager, Greg Deranleau, arrived at the spill at approximately 10:15 am on October 15th, 2024. No crews were on location at the time of inspection.

The following observations were made during the Environmental Inspection:

-An approximately 3" diameter fiberglass flowline had been exposed on the foot end of the surficial expression of the spill (~300' downhill from where the spill daylighted to the surface). A ~3' section of flowline with a coupling had been removed and set aside. The ends of the flowline still in situ were uncapped.

-A ~3" diameter fiberglass flowline and an ~1" diameter flowline have been exposed near where the spill daylighted to the surface. The 3" fiberglass line has been cut and the ends sealed, the ~1" flowline was leaking at the time of both inspections.

-Two orange poly lines (One ~3" and one ~1") were observed within the open excavation near where the spill daylighted to the surface - No locates were observed identifying the lines.

-The spill is visible in historic aerial imagery (back to 2022) and measures approximately 100' wide by 300' long. Visibly impacted soil measures approximately 0.30 acres.

-Impacted soil is being stockpiled on location. A liner and earthen berm have been installed; however, the containment measures around stained soil stockpiled on location remain insufficient. ECMC noted the following issues regarding the E&P waste stockpile:

--Multiple tears/holes in the liner

--Earthen berm is discontinuous and appears to be comprised of native soil/vegetation and is not sufficiently impervious (sandy silt, uncompacted, vegetation throughout).

--Impacted soil has been piled above the height of the berm

--E&P waste that remains in situ within the open excavations and spill footprint

-Fencing has been installed around the open excavations; however, fencing is inadequate

-The Land Board as surface owner requests either a three strand barbed wire fence or a hot wire fence that will completely exclude the livestock from any of the contaminated soils be installed. Operator has not complied with landowner requests nor previous corrective actions.

-No stormwater BMPs have been installed around the spill foot print or reportedly clean soil stockpiled on location

-Spill does not plot along any mapped KPK flowlines in the area

Location			
Lease Road:			
Type	Access		
comment:	Access road between Dechant State 1,3 and 7 wellheads and the tank battery is overgrown and difficult to traverse.		
Corrective ActionL			Date:
Overall Good: <input type="checkbox"/>			
Emergency Contact Number:			
Comment:	No emergency contact information present.		
Corrective Action:			Date: _____
Good Housekeeping:			
Type	WEEDS		
Comment:	Undesirable vegetation observed in and around wellheads and tank battery.		
Corrective Action:	Comply with Rules 606.c. and 1003.f.		Date: <u>10/24/2024</u>
Overall Good: <input type="checkbox"/>			
Spills:			
Type	Area	Volume	
In Containment: No			
Comment:			
<input type="checkbox"/> Multiple Spills and Releases?			
Fencing/:			
Type	OTHER		
Comment:	Inadequate fencing. In an email correspondence dated 9/26/2024 the landowner stated: "Can you please confirm that the excavation will be fenced sufficiently to keep livestock out of the contaminated area and away from the stockpile of contaminated soil? The Land Board has a grazing lease on this parcel and cattle are currently on the Northern part of this section. The agricultural lessee intends to move the herd to the Southern pastures (which include the spill area) in the next day or two." and requested "either a three strand barbed wire fence or a hot wire fence that will completely exclude the livestock from any of the contaminated soils. Plastic "snow" fencing will not be sufficient to keep livestock away from the contaminated area.".		
Corrective Action:	Operator has not complied with previous corrective actions nor Rule 913.b.(5)B.i and ECMC Guidance 913.b.(5)B i-v. Operator shall immediately install, repair and maintain best management practices to protect the environment, public health, safety and welfare and the environment as required by Rule 913.b.(5)B.i and ECMC Guidance 913.b.(5)B i-v which requires fencing used be appropriate to site conditions, ie: nearby residences/schools, depth of excavation, presence of ground or surface water, live stock, wind, etc. Corrective action backdated to FIR 710100264.		Date: <u>09/25/2024</u>
Equipment:			
Type: Other	#		corrective date
Comment:	Two orange poly lines (One ~3" and one ~1") were observed within the open excavation near where the spill daylighted to the surface - No locates were observed identifying the lines.		
Corrective Action:			Date:
Type: Flow Line	#		

Comment:	Operator previously exposed a section of flowline along the toe of the spill footprint. The exposed section of ~3" fiberglass flowline appeared to have been repaired/joined previously based on the black coupling observed on a ~3' section of line removed. The ends of the flowline remaining in place remain not properly capped/sealed. An additional section of 3" fiberglass flowline has been exposed near where the spill daylighted to the surface - The flowline has been cut and sealed on both ends.		
Corrective Action:	Form 44 Doc #402217100 includes a pressure test from 8/19/2019 performed on the Dechant State #3 Flowline following repairs (402229159). Operator has indicated the location of the flowline was unknown prior to discovery of this release. On the subsequent Supplemental Form 19 (due September 30th, 2024) Operator shall provide details of flowline repairs made previously as recorded on Form 44 Doc #402217100.	Date:	<u>09/30/2024</u>
Type: Flow Line	#		
Comment:	~1" gas supply line observed within the open excavation near where the spill daylighted to the surface is leaking. Emulsion has built up beneath the leaking section.		
Corrective Action:	Immediately to control and contain spills/releases and clean up per Rule 912.a. Maintain active and inactive flowlines and crude oil transfer lines to meet Rule 1102.i.	Date:	<u>10/17/2024</u>

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities

Facility ID: 239942 Type: WELL API Number: 123-07730 Status: SI Insp. Status: SI

The subreport 'InspWellFlowline' could not be found at the specified location \\10 14 12

Facility ID: 240209 Type: WELL API Number: 123-07997 Status: PR Insp. Status: PR

The subreport 'InspWellFlowline' could not be found at the specified location \\10 14 12

Facility ID: 241066 Type: WELL API Number: 123-08854 Status: PR Insp. Status: PR

The subreport 'InspWellFlowline' could not be found at the specified location \\10 14 12

Facility ID: 475719 Type: LOCATION API Number: - Status: AC Insp. Status: EI

The subreport 'InspWellFlowline' could not be found at the specified location \\10 14 12

Facility ID: 475722 Type: OFF- API Number: - Status: AC Insp. Status: EI

The subreport 'InspWellFlowline' could not be found at the specified location \\10 14 12

Facility ID: 487984 Type: SPILL OR API Number: - Status: AC Insp. Status: EI

The subreport 'InspWellFlowline' could not be found at the specified location \\10 14 12

Environmental

Waste Management:

Type	Management	Condition	GPS (Lat)	(Long)	
Oily Soil	Piles	Inadequate			
Comment	Oily waste is being stockpiled on location both on a liner and within an the excavation. The perimeter berm surrounding the impacted soil stockpile is discontinuous, comprised of loose, unconsolidated sandy silt and vegetation and is not adequate. Holes were observed in the liner and the liner has been driven over. Oily waste has spilled and spread outside of the lined area. A second soil stockpile of reportedly clean soil was observed west of the E&P waste stockpile area with no BMPs. The "clean" soil appeared to be mixed with topsoil and vegetation from the surrounding area.				
Corrective Action	Operator shall properly dispose of oily waste in accordance with Rule 905.e and attach all waste manifests, gate tickets/receipts to the next Supplemental Form 19 per Rule 905.b.(3). Additionally, Operator shall manage waste in compliance with Rule 913.b.(5)B and ECMC Guidance 913.b.(5)B i-v. Operator shall provide photo documentation of stockpile liner integrity via Form 19 or Form 27 prior to removal. Operator shall collect soil samples from the areas where impacted soil has spilled outside containment Full Table 915-1 Contaminants of Concern.			Date:	

Spill/Remediation:

Comment:

Corrective Action: Date:

Emission Control Burner (ECB):

Comment:

Pilot: Wildlife Protection Devices (fired vessels):

Reclamation - Storm Water - Pit

Interim Reclamation:

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

Land Use: _____

Comment: Grazing land.

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment State Land Board has previously contacted the Operator to request installation of fencing around all O&G equipment on land owned by the State Land Board. The land board requested all fencing be constructed in a manner that is capable of preventing livestock entry; In order to prevent injury to livestock as well as avoid incidents where livestock damage O&G equipment creating a safety hazard. Operator has not installed fencing adequate to prevent livestock entry around equipment at the following: Dechant State 3 wellhead, Dechant State 7, Dechant State 1, nor the Dechant State #1,2,3,4,5,6,7 Tank Battery (Location ID 475719).

Corrective Action Operator shall install fencing as soon as possible in accordance with Rule 1002.a.

Date 10/31/2024

1002b. SOIL REMOVAL AND SEGREGATION _____

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 Unused equipment stored on location near Tank Battery.

Corrective Action Comply with Rules 606 and 1003.

Date 10/31/2024

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 REVEGETATION

Cropland

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 Per Rule 1003, all disturbed areas affected by drilling or subsequent operations shall be reclaimed.
This spill and subsequent spill response and remediation activities have created a sizeable footprint (>0.50 acres).

Corrective Action Operator shall comply with Rule 1003 to repair all disturbed areas and reseed as soon as environmental conditions will permit using a seed mixture requested by the surface owner or a mixture prescribed by the local county NRCS. Establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of reference area levels. Ensure erosion controls are implemented to stabilize the seeded soil. Operator shall continue to monitor and manage this site until the location meets Rule 1003 standards, including weed management.

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

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: Ongoing issue at Spill ID 487984: Inadequate BMPs in place to control stormwater run-on and runoff. Stained soil remains in situ and stored on location without adequate BMPs.

Corrective Action: Operators will properly store, handle and manage all E&P waste to prevent contamination of stormwater, surface water, groundwater and soil. Manage surface water and stormwater around spill site in manner that prevents impacts to those matrices. Install BMPs in accordance with 1002.f.(2) to prevent runoff and completely contain impacts. Corrective action backdated to FIR 710100264.

Date: 09/25/2024

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

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

Document Num	Description	URL
710100289	2024_1015_Dechant State 3 Flowline Spill Photo Log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6750670
710100290	Email Correspondence - Spill Fencing	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6750671
710100291	2024_1010_Dechant State 3 Flowline Spill Photo Log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6750672
710100292	2024_0923_Dechant State Wellheads and TB Photo Log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6750673
710100293	Email Correspondence - State Land Board requirement for fencing around O&G equipment	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6750674