

**FORM
INSP**

Rev
X/20

**State of Colorado
Energy and Carbon Management Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Inspection Date:

03/17/2026

Submitted Date:

03/20/2026

Document Number:

718300128

FIELD INSPECTION FORM

Loc ID: 317803 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

Findings:

16 Number of Comments

10 Number of Corrective Actions

Corrective Action Response Requested

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

ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE

Contact Information:

Contact Name	Phone	Email	Comment
Watzman, Ross	301-213-1724	rwatzman@kpk.com	All Inspections
Peterson, Tom		tom.peterson@state.co.us	
Chew, Cullen	205-914-4843	cchew@kpk.com	Environmental Coordinator
Rollins, Grace		grace.rollins@state.co.us	
Motisi, Dan	303-909-0875	dmotisi@kpk.com	Environmental Geologist
Burn, Diana		diana.burn@state.co.us	
Graber, Nikki		nikki.graber@state.co.us	
Kirschner, Steven		steven.kirschner@state.co.us	
Brown, Kari		kari.oakman@state.co.us	
MacLaren, Joe		joe.maclaren@state.co.us	
Kauffman, KPK	720-868-9848	cogcc@kpk.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
239997	WELL	PR	03/01/2025	GW	123-07785	PETE MONTOYA B 1	PR
478288	TANK BATTERY	AC	10/14/2020		-	Pete Montoya B	EI
493337	SPILL OR RELEASE	AC			-	Pete Montoya B Sales Line	EI

General Comment:

This is a combined environmental field inspection report for environmental field inspections performed on March 3rd and 17th, 2026, to determine progress on KP Kauffman Company's (KPK/Operator) Pete Montoya B Sales Line Spill (Spill ID #493337). The Pete Montoya B tank battery (Facility ID 478288), PETE MONTOYA B-62N67W35SWNW location (Location ID 317803) and PETE MONTOYA B 1 well (API 123-07785) were also included in the scope of this inspection. Any corrective actions from previous inspections, NOAVs and/or conditions of approval from previous forms that have not been fully addressed are still applicable.

Photos attached to document site conditions.

Site/Spill Name: Pete Montoya B Sales Line Spill (Spill ID #493337)
Reported Date of Discovery: 3/2/2026
Pete Montoya B tank battery (Facility ID 478288)
PETE MONTOYA B-62N67W35SWNW location (Location ID 317803)
PETE MONTOYA B 1 well (API 123-07785)

Site/Spill is located within or in close proximity (within ¼ mile) of:
-Fort Lupton Municipality (within)
-Surface waters (multiple)
-Wetlands (Riverine (350' SE) and Freshwater Emergent (600' SE)
-Occupied structures (multiple residences - closest ~220' NNE)
-Livestock

See Inspectors/Comments for an overview of site conditions on 3/3/2026 and 3/17/2026.

Location			
Overall Good: <input type="checkbox"/>			
Signs/Marker:			
Type	OTHER		
Comment:	Signage at the tank battery and wellhead is faded and difficult to read.		
Corrective Action:	Install or repair signs to comply with Rule 605.		Date: <u>05/19/2026</u>
Emergency Contact Number:			
Comment:	<input style="width: 100%;" type="text"/>		
Corrective Action:	<input style="width: 100%;" type="text"/>		Date: _____
Good Housekeeping:			
Type	OTHER		
Comment:	Weeds/debris were observed throughout the location - within, on and adjacent to the earthen secondary containment berms for the crude oil and produced water tanks and separator, adjacent to aboveground piping and the wellhead/pumping unit.		
Corrective Action:	Comply with Rule 606.		Date: <u>04/03/2026</u>
Overall Good: <input type="checkbox"/>			
Spills:			
Type	Area	Volume	
PW/CO	WELLHEAD		
Comment:	Hydrocarbon stained soil was observed at the Pete Monotoya B1 well.		
Corrective Action:	Comply with ECMC Rules. Operator shall immediately control and contain spills/releases and investigate, clean up and document impacts per Rule 912.a. Note: for any spills that do not meet the reporting requirements of Rule 912.b.; Operator shall provide documentation of the cleanup efforts (photo documentation and waste disposal manifests) to the Director per Rule 912.a.(5) - Operator may submit documentation via FIRR (within 30 days - Due 4/19/2026). Additionally, Operator shall properly handle, transport and dispose of E&P waste in accordance with 905 Series Rules.		Date: <u>03/20/2026</u>
In Containment: No			
Comment:	<input style="width: 100%;" type="text"/>		
<input type="checkbox"/> Multiple Spills and Releases?			
Fencing/:			
Type	OTHER		
Comment:	Orange construction fencing installed around the open excavation has fallen, does not encompass the entire perimeter of the excavation and is not appropriate for site conditions.		
Corrective Action:	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, depth of excavation, presence of ground or surface water, livestock, wind, etc.		Date: <u>03/20/2026</u>
Equipment:			
Type: Flow Line	#		corrective date
Comment:	Uncapped flowline risers were observed west of the gas sales line.		
Corrective Action:	Complete flowline/crude oil transfer line abandonments to comply with Rule 1105.e.(4).		Date: <u>04/19/2026</u>
Type: Ancillary equipment	#		

Comment:	Oily residue was observed at multiple connection/fittings on gas sales line piping and stained soil was observed below. On 3/17/2026 ECMC observed oil actively dripping down piping and onto ground below at the gas sales line.		
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. Operator shall properly handle, transport and dispose of E&P waste in accordance with 905 Series Rules.	Date:	04/04/2026

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	<50 BBLs	PBV PLASTIC		

Comment:	Stained soil was observed beneath a crack in the 50-bbl partially buried polyethylene produced water tank. The tank appears to have been damaged - as the walls are indented.		
Corrective Action:	Per Rule 608.f.(3) and Rule 609.a. Operator shall provide annual leak inspection/test records and documentation of all actions taken to investigate, repair/replace and remediate the malfunctioning equipment and/or process which caused damage to the 50-bbl partially buried polyethylene produced water tank. Submit as an attachment to the Form 19. Additionally, Operator shall comply with Rule 608.f.(4) which states: "If any leaks are detected, Operators will repair or replace the Tank, vessel, or structure to prevent future Spills or Releases of E&P Waste. Operators will report, investigate, and remediate any Spill or Release pursuant to Rules 912 & 913."	Date:	03/20/2026

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Comment:				
Corrective Action:				Date:

Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	1	300 BBLs	STEEL AST		

Comment:	300-bbl steel crude oil AST has peeling paint and is pitted/rusted.		
Corrective Action:	Inspect, maintain and repair tanks to comply with Rule 609.b.	Date:	04/19/2026

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Comment:				
Corrective Action:				Date:

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities

Facility ID: 239997 Type: WELL API Number: 123-07785 Status: PR Insp. Status: PR

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Facility ID: 478288 Type: TANK API Number: - Status: AC Insp. Status: EI

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Facility ID: 493337 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

Spills/Releases:

Type of Spill: _____ Estimated Spill Volume: _____

Comment: Spill ID 493337 was created to report and address initial spill response and remediation activities at the Pete Montoya B Sales Line Spill. The most recent Form 19 was submitted on 03/11/2026.

Corrective Action: Pursuant to Rule 912.b.(6) Operator is required to submit a Form 19 Supplemental Report for the associated spill within 90 days of the spill date requesting closure pursuant to Rule 913.h and supported by adequate documentation to demonstrate that the Spill or Release has been fully cleaned up and complies with Table 915-1; or A Form 27 if any of the criteria listed in Rules 912.b.(6).B.i-iii apply. If Remediation will continue under an approved Form 27, the Operator will also submit a Form 19 – Supplemental which requests closure of the Spill or Release and includes the Remediation project number assigned by the Director. A Form 19– Supplemental Report which requests closure of Spill ID 493337 is due by 5/31/2026. Date: 05/31/2026

Reportable: YES GPS: Lat _____ Long _____
 Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well Complaint:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____ Comment: _____

Waste Management:

Type	Management	Condition	GPS (Lat)	(Long)	
Oily Soil	Piles	Inadequate			
Comment	Impacted soil remains in situ and stockpiled on location without adequate BMPs or signage despite the COA on Form 19i Doc #404562700 (approved on 3/4/2026) which states: "Due to the sensitive nature of this location, on-location storage of E&P waste, including in stockpiles, is not acceptable. Operator shall implement, continuously monitor 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."				
Corrective Action	Per the COA on Form 19s Document #404566026: "Operator shall immediately remove E&P waste stored on location in accordance with Rule 913.b.(5)B.i. and Rule 905. Operator shall provide documentation (waste manifests and photo documentation) that E&P waste stored on location has been removed within 48 hours (by 3/20/2026)."				Date: <u>03/20/2026</u>

Spill/Remediation:

Comment: _____
 Corrective Action: _____ Date: _____

Emission Control Burner (ECB): _____

Comment: _____
 Pilot: _____ Wildlife Protection Devices (fired vessels): _____

ECMC Comments

Comment	User	Date
Site status on 3/3/2026 Weather: Overcast, 48°F, windy with ~15mph gusts -On 3/3/2026 crews were on location excavating to expose the flowline. -ECMC observed a hole in the southernmost exposed ~3" steel flowline. -A strong petroleum hydrocarbon odor present and hydrocarbon stained soil were visible in situ within the open excavation and at the surface.	andersoln	03/20/2026

- In accordance with ECMC safety procedures, ECMC Inspectors did not enter the excavations.
- Hydrocarbon stained soil was being stockpiled on location directly adjacent to the open excavation on a liner with no stormwater BMPs. Soil had spilled outside the liner and ECMC observed tears in the liner.
- A crack was observed in the 50-bbl partially buried polyethylene produced water tank. Stained soil was observed beneath where crack was observed. The tank appears to have been damaged - as the walls are indented.
- Pitting and peeling paint was observed on the 300-bbl steel crude oil AST
- Signage at the tank battery is faded and difficult to read.
- A section of 3-strand barbed wire fencing around the 300-bbl steel crude oil AST and 50-bbl partially buried polyethylene produced water tank had been removed at the time of inspection.
- A section of 3-strand barbed wire fencing along the southern end of the location had been removed at the time of inspection.
- The surface to the south of the excavation had been scraped - hydrocarbon stained soil remained in situ at the surface.
- Weeds/debris were observed throughout the location - within, on and adjacent to the earthen secondary containment berms for the crude oil and produced water tanks and separator, and adjacent to aboveground piping.
- Oily residue was observed at multiple connection/fittings on gas sales line piping and stained soil was observed below.
- Uncapped flowline risers were observed west of the gas sales line, improperly abandoned lines, 30 days

Site status on 3/17/2026

Weather: Sunny, 70°F, breeze <5mph

- No operator or contract environmental personnel on location at the time of the field inspection. -The Pete Montoya B 1 well (API 123-07785) pumping unit was running upon arrival; However, the unit stopped pumping shortly after ECMC arrival.
- The excavation at the spill location was open at the time of this inspection. The excavation had been expanded in both width and depth. Two additional steel lines were exposed to the south of the previously exposed flowlines. The section of flowline with a hole had been removed and a poly line ran through.
- Orange construction fencing around the open excavation had fallen and did not encompass the entire perimeter of the excavation.
- A strong petroleum hydrocarbon odor was present and hydrocarbon stained soil remained visible in situ within the open excavation and at the surface.
- In accordance with ECMC safety procedures, ECMC Inspectors did not enter the excavations.
- The excavation has steep (near vertical) sidewalls that at the time of inspection had not been sloped or benched and did not appear stable.
- Portions of the sidewalls have partially collapsed (failed soil mass observed) and are showing signs of additional collapse (tension cracks, toppling/sloughing).
- Hydrocarbon stained soil remains stockpiled on location with no erosion control BMPs. The stockpile appeared to have been shifted to the north, further away from the edge of the open excavation.
- Pieces of torn liner were observed throughout the stockpile, no liner was observed beneath the stockpile.
- A crack was observed in the 50-bbl partially buried polyethylene produced water tank. Stained soil was observed beneath where crack was observed. The tank appears to have been damaged - as the walls are indented.
- Pitting and peeling paint was observed on the 300-bbl steel crude oil AST
- Signage at the tank battery and wellhead is faded and difficult to read.
- A section of 3-strand barbed wire fencing around the 300-bbl steel crude oil AST and 50-bbl partially buried polyethylene produced water tank had been removed at the time of inspection.
- A section of 3-strand barbed wire fencing along the southern end of the location had been removed at the time of inspection.
- The surface to the south of the excavation had been scraped - hydrocarbon stained soil remained in situ at the surface.
- Weeds/debris were observed throughout the location - within, on and adjacent to the earthen secondary containment berms for the crude oil and produced water tanks and separator, adjacent to aboveground piping and the wellhead/pumping unit.
- Oily residue was observed at multiple connection/fittings on gas sales line piping and

stained soil was observed below.
-Oil was actively dripping down piping and onto ground below at the gas sales line.
-Hydrocarbon stained soil was observed at the Pete Montoya B1 well.

See attached corrective actions.

Attached Documents

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

Document Num	Description	URL
404588797	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=7488000
718300129	2026_0303_ECMC Pete Montoya B Sales Line Sensitive Receptors Map	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=7487996
718300130	2026_0303_Pete Montoya B Sales Line Photo Log	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=7487997
718300131	2026_0317_Pete Montoya B Sales Line Photo Log	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=7487998