

FORM INSP Rev 05/11	State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109				DE	ET	OE	ES
	FIELD INSPECTION FORM				Inspection Date: <u>09/28/2012</u> Document Number: <u>669400146</u> Overall Inspection: <div style="border: 2px solid red; padding: 2px; display: inline-block; color: red; font-weight: bold;">Violation</div>			

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: LABOWSKIE, STEVE
	427307	427297		

Operator Information:

OGCC Operator Number: 46685 Name of Operator: KINDER MORGAN CO2 CO LP

Address: 17801 HWY 491

City: CORTEZ State: CO Zip: 81321

Contact Information:

Contact Name	Phone	Email	Comment
Clayton, Bob	(970) 882-5507/ (303) 585-1309	bob_clayton@kindermorgan.com	Operations Superintendent (Dolores)
LEONARD, MIKE		mike.leonard@state.co.us	

Compliance Summary:

QtrQtr: NESW Sec: 15 Twp: 40N Range: 18W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
04/16/2012	664000476	XX	DG	S			N

Inspector Comment:

Well spud on 4/5/12, no Form 5 or 5a in database. Please submit forms 5 and 5a, if already submitted please re-submit or indicate forms were submitted so a search can be initiated. Hydrocarbons observed on surface of outer pit. No netting as required by pit permit. Fencing is consider inadequate for proximity to sensitive wildlife area (elk). COA for fiber wattles installed along entire west side of location. Wattles are installed along south and east sides of location. Wattles are improperly staked (vertically). Stakes need to be angled or crossed to prevent wattles from floating during run-off.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name
427014	PIT	AC	12/30/2011		-	DC 11
427307	WELL	XX	01/15/2012		033-06171	DOE CANYON 11

Equipment: Location Inventory

Special Purpose Pits: _____	Drilling Pits: <u>2</u>	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>2</u>	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: <u>1</u>

Location

Signs/Marker:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Satisfactory			

Inspector Name: LABOWSKIE, STEVE

Emergency Contact Number: (S/U/V) Satisfactory Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
DEBRIS	Unsatisfactory	sack mud chemicals in trench on edge of pit.	remove materials, net and fence drain trench as part of pit.	10/19/2012

Spills:				
Type	Area	Volume	Corrective action	CA Date
Produced Water		<= 5 bbls	area of dried fluids with what appear to be salt crystals on northeast corner of location by pit. clean up salt contaminated soils, report if over 5 bbls.	10/24/2012

Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Satisfactory			
PIT	Unsatisfactory	pit permit #427014 requires all pits to be fenced and netted until closed	install netting. improve fencing to be appropriate for proximity to elk SWA	10/17/2012

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Flow Line	1	Satisfactory			

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 427297

Site Preparation:

Lease Road Adeq.: Satisfactory Pads: Satisfactory Soil Stockpile: Unsatisfactory

Corrective Action: correctly install BMPs in correct spot (wattles needed on west side of location) Date: 10/22/2012 CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkod	<p>SITE SPECIFIC COAs:</p> <p>Either a lined drilling pit or closed loop system must be implemented.</p> <p>Production pit/special purpose pit must be lined.</p> <p>Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals, and maintained in good condition.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts prior to offsite disposal.</p> <p>No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.</p> <p>All personnel must be H2S trained and proper air monitoring for H2S must be implemented during drilling, completion, and production operations. Emergency response plan for H2S must be onsite at all times.</p>	12/12/2011

Comment: south and west edges of location have containment berm. Segregated soil stockpile not marked or clearly defined. Large amounts of blasting debris intermixed with soils.

CA: delineate segregated soils **Date:** 10/29/2012

Wildlife BMPs:

BMP Type	Comment
Storm Water/Erosion Control	Disturbed portions of the well pad not necessary for operation and maintenance of the well would be re-contoured and roughened to blend into the surrounding terrain. In addition, a land-owner approved seed mix would be applied at the appropriate time using seeding and mulching methods outlined in the Kinder Morgan Programmatic Stormwater Management Plan.
Storm Water/Erosion Control	Fiber wattles will encompass the entire western periphery of the well pad and will continue wrapping approximately 30 feet of the southern periphery

Comment: _____

CA: _____ **Date:** _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
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WADDLES	No	Covering Materials	
Corrective Action: _____		Date: _____	
Comments: Erosion BMPs: _____			
Other BMPs: _____			
Comment: wattles not present on west side of location as per COA			
Staking:			
On Site Inspection (305):			
<u>Surface Owner Contact Information:</u>			
Name: _____		Address: _____	
Phone Number: _____		Cell Phone: _____	
<u>Operator Rep. Contact Information:</u>			
Landman Name: _____		Phone Number: _____	
Date Onsite Request Received: _____		Date of Rule 306 Consultation: _____	
Request LGD Attendance: _____			
<u>LGD Contact Information:</u>			
Name: _____		Phone Number: _____	Agreed to Attend: _____
<u>Summary of Landowner Issues:</u>			
<u>Summary of Operator Response to Landowner Issues:</u>			
<u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u>			

Facility				
Facility ID: 427307	Type: WELL	API Number: 033-06171	Status: XX	Insp. Status: UN

Environmental		
Spills/Releases:		
Type of Spill: FLUID	Description: _____	Estimated Spill Volume: _____
Comment: uncertain extent of liner and anchor trench on northeast side of location where crystalized dried fluid is present outside of pit, see picture #1130		
Corrective Action: estimate volume. remove and report if required		Date: 10/22/2012
Reportable: NO	GPS: Lat _____	Long _____
Proximity to Surface Water: _____		Depth to Ground Water: _____

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

Field Parameters:
Sample Location: _____

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: CRP, DRY LAND

Comment: uncertain when drilling and completions operations had stopped, no Forms 5 or 5a in well file. Drilling pit open, fluids in outer pit, oil in pit. Interim reclamation does not appear to have begun yet. Small unlined pit near northeast corner of drilling pit, still open, doesn't appear to have been lined.

1003a. Debris removed? Fail CM _____ CA remove all debris or keep it well within lined pit CA Date 10/19/2012

Waste Material Onsite? Pass CM _____ CA _____ CA Date _____

Unused or unneeded equipment onsite? Pass CM _____ CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? In CM pit still open with fluid and hydrocarbons CA _____ CA Date _____

Guy line anchors removed? _____ CM _____ CA _____ CA Date _____

Guy line anchors marked? _____ CM _____ CA _____ CA Date _____

1003b. Area no longer in use? In Production areas stabilized? Pass

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? In 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? In Production areas have been stabilized? Pass Segregated soils have been replaced? In

RESTORATION AND REVEGETATION

Cropland

Top soil replaced In Recontoured In Perennial forage re-established In

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? I _____

Comment: _____

Overall Interim Reclamation In Process

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: DRY LAND

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

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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 _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Compaction	Pass					
Waddles	Fail	Compaction	Pass	CM	Fail	no waddles on west side, staked vertically
Berms	Pass	Ditches	Pass			berm on edge of graveld location west & south side

S/U/V: **Violation** Corrective Date: **10/22/2012**

Comment: COA requires wattles on entire west side of location, no wattles present, disturbed area to west has irregular soil pile with extensive weed growth, if this was meant to be a berm it is inadequately installed and maintained.

CA: Install proper erasoion control BMPs on west side of disturbance. Re-install wattles on south and east sides with properly (stake at angle)

Pits:

Pit Type: Drilling Pit Lined: YES Pit ID: _____ Lat: _____ Long: _____

Lining:
 Liner Type: HDPE Liner Condition: Inadequate
 Comment: fence post installed through liner

Fencing:
 Fencing Type: Livestock Fencing Condition: Adequate
 Comment: steel mesh fencing inadequate for proximity to SWA (aprox. 1 mile)

Netting:
 Netting Type: _____ Netting Condition: _____
 Comment: netting required, no netting present

Anchor Trench Present: YES Oil Accumulation: YES 2+ feet Freeboard: _____

Pit (S/U/V): **Unsatisfactory** Comment: _____

Corrective Action: adequately fence and net pit, begin absorbing/skimming hydrocarbons visible on surface of outer pit. Date: **10/17/2012**

COGCC Comments

Comment	User	Date
fiber wattles improperly installed with vertical staking and not on west side of location as required by COA. Soil pushed up irregularly on west side with abundant weed growth is not an adequately maintained bermed if that was the intention.	labowsks	10/09/2012
Pit permit #427014 requires adequate fencing and netting of pit until closure. Proximity to wildlife area justifies use of wildlife grade fencing.	labowsks	10/09/2012

location, soil stockpile and overall disturbance appear much greater than 2.53 stated on approved Form 2A, GPS measurements being calculated for acreage disturbance estimate.	labowsks	10/09/2012
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Attached Documents

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

Document Num	Description	URL
669400146	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=2999051
669400151	dried fluid outside lined pit	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=2999050