

Inspector Name: Sherman, Susan

**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

Inspection Date:
09/09/2014Document Number:
673706143

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	425849	425848	Sherman, Susan	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 16000 DALLAS PARKWAY #875City: DALLAS State: TX Zip: 75248-

- ☐ THIS IS A FOLLOW UP INSPECTION
- ☐ FOLLOW UP INSPECTION REQUIRED
- ☒ NO FOLLOW UP INSPECTION REQUIRED
- ☐ INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Eisterhold, Rachael	(918) 585-1650 X212	regulatory@foundationenergy.com	
Ikenouye, Teri	(303) 894-2100	teri.ikenouye@state.co.us	COGCC Production

Compliance Summary:QtrQtr: NENW Sec: 8 Twp: 1N Range: 46W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
425849	WELL	PR	12/05/2011	GW	125-12010	Blach 21-8B	PR	<input checked="" type="checkbox"/>

Equipment:**Location Inventory**

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

Location

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	SATISFACTORY			
WELLHEAD	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:				
Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				
Fencing:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
PUMP JACK	SATISFACTORY	steel pipe		
WELLHEAD	SATISFACTORY	steel panels		
Equipment:				
Type	#	Satisfactory/Action Required	Comment	Corrective Action
Pump Jack	1	SATISFACTORY		
Ancillary equipment	3	SATISFACTORY	solar telemetry, gas scrubber, electric panel	
Deadman # & Marked	4	SATISFACTORY		
Gas Meter Run	1	SATISFACTORY		
Prime Mover	1	SATISFACTORY	electric	
Venting:				
Yes/No	Comment			
Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Predrill				
Location ID: 425849				
Site Preparation:				
Lease Road Adeq.:		Pads:	Soil Stockpile:	
S/A/V:				
Corrective Action:		Date:	CDP Num.:	
Form 2A COAs:				
S/A/V:		Comment:		
CA:		Date:		
Wildlife BMPs:				
BMP Type	Comment			
Storm Water/Erosion Control	Minimize disturbance of the vegetative cover while constructing and operating the location and to aid soil stabilization and revegetation of the disturbed area during interim reclamation. Cut and fill slopes should be minimized to the greatest extent practicable. The BMPs may include, but shall not be limited to, the use of mulches and/or tackifiers, erosion control mats and/or blankets, appropriate seed mixes and/or soil amendments and any other practices necessary to prevent soil erosion by wind and stormwater, and to encourage the growth of desirable soil stabilizing vegetation.			

Inspector Name: Sherman, Susan

General Housekeeping	Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup of trash and discarded materials will be conducted at the end of each work day. Cleanup will consist of patrolling the roadway, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.
Storm Water/Erosion Control	Stormwater management plans (SWMP) are in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE) General Permit No. COR-038637. BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation.
Material Handling and Spill Prevention	Spill Prevention Control and Countermeasures (SPCC) plans are in place to address any possible spill associated with Oil & Gas operations throughout the state of Colorado in accordance with CFR 112.

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

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:

Facility

Facility ID: 425849 Type: WELL API Number: 125-12010 Status: PR Insp. Status: PR

Producing Well

Comment: Jan 2014 last reported production data.

309. COGCC Form 7. OPERATOR'S MONTHLY PRODUCTION REPORT

Each producer or operator of an oil or gas well shall file with the Commission, within forty-five (45) days after the month in which production occurs, a report on Operator's Monthly Production Report, Form 7, containing all information required by said form. In addition, all fluids produced during the initial testing and completion shall be reported on Operator's Monthly Production Report, Form 7 within forty-five (45) days after the month in which testing and completion occurs.

Environmental**Spills/Releases:**

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____ Date: _____

Reportable: _____ GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

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

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: RANGELAND

Comment: pasture

1003a. Debris removed? Pass CM _____

CA _____ CA Date _____

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? Pass CM _____

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?	<u>Pass</u>	Production areas stabilized ?	<u>Pass</u>
1003c.	Compacted areas have been cross ripped? _____			
1003d.	Drilling pit closed?	<u>Pass</u>	Subsidence over on drill pit?	<u>In</u>
	Cuttings management: _____			
1003e.	Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing?			<u>In</u>
	Production areas have been stabilized?	<u>Pass</u>	Segregated soils have been replaced?	<u>Pass</u>
RESTORATION AND REVEGETATION				
<u>Cropland</u>				
	Top soil replaced	_____	Recontoured	_____
			Perennial forage re-established	_____
<u>Non-Cropland</u>				
	Top soil replaced	<u>Pass</u>	Recontoured	<u>Pass</u>
			80% Revegetation	<u>In</u>
1003 f.	Weeds Noxious weeds? _____ I _____			
Comment:	<div style="border: 1px solid black; height: 20px; width: 100%;"></div>			
Overall Interim Reclamation		<u>In Process</u>		

Date Final Reclamation Started: _____	Date Final Reclamation Completed: _____
Final Land Use: <u>RANGELAND</u>	
Reminder: _____	
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
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 _____
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
Corrective Action: <div style="border: 1px solid black; height: 20px; width: 80%;"></div>	Date _____
Overall Final Reclamation _____	Well Release on Active Location <input type="checkbox"/> Multi-Well Location <input type="checkbox"/>

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Compaction	Pass	Compaction	Pass			
Gravel	Pass	Gravel	Pass			

Comment:	
CA:	

Date Run: 9/13/2014 Doc [#673706143] Page 5 of 7

Attached Documents

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

Document Num	Description	URL
673706304	Foundation Blach 21 8B well sign	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3433178
673706305	Foundation Blach 21 8B well equipment	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3433179
673706306	Foundation Blach 21 8B well equipment 2	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3433180
673706307	Foundation Blach 21 8B well solar telemetry	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3433181
673706308	Foundation Blach 21 8B wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3433182
673706309	Foundation Blach 21 8B well IR	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3433183
673706312	Foundation Blach 21 8B lease sign	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3433184

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)