



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

December 7, 2015

Stacy Haggard
38399 CR 29
Eaton, CO 80615

Dear Ms. Haggard,

The Colorado Oil and Gas Conservation Commission (COGCC) received your complaint regarding an odor resulting from a suspected release of oil from tanks on County Road 29. Your complaint is documented in COGCC document number 200436603, which can be found on the "Complaints" page, off of our main website at <http://cogcc.state.co.us/>. The COGCC investigated this complaint and documented the results in COGCC document number 200437054.

The following actions were taken to address your complaint:

- On 08/13/2015, COGCC inspector Jason Gomez conducted a site inspection, of the Coalbank Creek 10-2 Facility (documented in Field Inspection Report [FIR] #673802437, attached);
- Mr. Gomez observed oil spray originating from a pressure release valve (PRV);
- Mr. Gomez captured an infrared video and observed the release of gas from the PRV;
- Mr. Gomez notified workers on site and the operator of the situation; and
- Mr. Gomez issued FIR #673802437 with action required items including the following:
 - Remediate or remove the stained soil
 - Adjust or repair the PRV
 - Submit a COGCC Form 42 when corrective actions are completed.

On 09/01/2015, COGCC received the Form 42 from the operator confirming that all corrective actions listed in FIR #673802437 had been completed on 08/14/2015.



Ms. Haggard
December 7, 2015
Page 2

The COGCC has determined that no violations occurred related to your complaint. Accordingly, the COGCC has closed the complaint and will not issue a notice of alleged violation (NOAV) related to this complaint. If you have questions relating to the complaint or investigation please contact me.

Sincerely,



Megan Adamczyk

COGCC Complaint Specialist
303-894-2100 x5145
dnr_cogcc.complaints@state.co.us

**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:

08/13/2015

Document Number:

673802437

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>
	428320	428320	Gomez, Jason	2A Doc Num: _____

Operator Information:

OGCC Operator Number: 10261

Name of Operator: BAYSWATER EXPLORATION AND PRODUCTION LLC

Address: 730 17TH ST STE 610

City: DENVER State: CO Zip: 80202

- ☐ 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
Ramos, Martha		martha.ramos@state.co.us	
Barbula, Don		dbarbula@bayswater.us	all inspections
Blyth, Tom		tblyth@bayswater.us	Regulatory
Allison, Rick		rick.allison@state.co.us	
Mattox, Jennifer	303-692-3144	jennifer.mattox@state.co.us	environmental protection specialist
Precup, Jim		james.precup@state.co.us	
Ash, Margaret		margaret.ash@state.co.us	

Compliance Summary:

QtrQtr: NESE Sec: 20 Twp: 7N Range: 66W

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
428301	WELL	PR	10/04/2012	OW	123-35312	COALBANK CREEK 9-20	PR	<input checked="" type="checkbox"/>
428310	WELL	PR	10/03/2012	OW	123-35318	COALBANK CREEK 10-20	PR	<input checked="" type="checkbox"/>

Equipment:**Location Inventory**

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

Location

Inspector Name: Gomez, Jason

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	Signs remain under Bayswater		
BATTERY	SATISFACTORY	Signs remain under bayswater		
WELLHEAD	SATISFACTORY	Signs remain under Bayswater		
TANK LABELS/PLACARDS	SATISFACTORY			
CONTAINERS	SATISFACTORY			

Emergency Contact Number (S/A/V): ACTION Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:				
Type	Area	Volume	Corrective action	CA Date
Other	Tank	<= 5 bbls	Approx 10' x 10' over spray from PRV on tank on berm and outside containment. Adj or repair PRV on tank and remove or remediate stained soil from ground	09/01/2015

☐ Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
LOCATION	SATISFACTORY	Wire		
WELLHEAD	SATISFACTORY	Panel		
WELLHEAD	SATISFACTORY	Panel		

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Compressor	1	SATISFACTORY	Approx 1'x1' stained soil	Remove or remediate stained soil and repair leak	09/01/2015
Horizontal Heated Separator	1	SATISFACTORY	Approx 1'x1' stained soil	Remove or remediate stained soil and repair leak	09/01/2015
Gas Meter Run	1	SATISFACTORY			
Emission Control Device	2	SATISFACTORY			
Plunger Lift	2	SATISFACTORY			

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	100 BBLS	PBV FIBERGLASS	40.557700,-104.792730

S/A/V: SATISFACTORY Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint

Condition	Adequate
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Inspector Name: Gomez, Jason

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate

Corrective Action		Corrective Date	
Comment			

Facilities:

☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2	300 BBLS	STEEL AST	40.557700,-104.792730

S/A/V:	SATISFACTORY	Comment:	
Corrective Action:		Corrective Date:	

Paint

Condition	Adequate
-----------	----------

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate

Corrective Action		Corrective Date	
Comment			

Venting:

Yes/No	Comment
YES	Release from PRV on east tank on location/Repair or replace PRV

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 428320

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:

Inspector Name: Gomez, Jason

BMP Type	Comment
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.
Drilling/Completion Operations	When available and reasonable use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).
Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. Bayswater Exploration and Production, LLP will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used by Bayswater Exploration and Production, LLP, its employees, or contractors cross through fences on the leased premises.

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: _____

Inspector Name: Gomez, Jason

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 428301 Type: WELL API Number: 123-35312 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Complaint

Comment: Complaint #: 200436603

Field Inspector Assigned: Gomez, Jason

Complaint Received:

Date: 8/12/2015 Time (Military): 1530Hrs

Contacted by Inspector:

Date: 8/12/2015 Time (Military): 1600 Hrs

Well Number: 05-Choose an item.-Click here to enter text. Location #: 428320

Inspection Document #: 673802437

Complainant: Stacy Haggard Phone: 970-381-5958

Address: 38399 WCR 29 Eaton, CO 80615

Nature of complaint: Odor

Field Inspector Actions:

On 8/12/2015 I was contacted by Jim Precup of the COGCC in reference to a odor complaint #200436603.

I contacted the complainant who indicated she had noticed a strong odor coming from the location just south of her home. The complainant said she first noticed the odor on 8/11/2015, she said she saw what she believed to be gas coming out of the tanks on the location. She said this had been occurring for the past couple of days. The complaint indicated she did not see any one at the location when this was occurring.

On 8/13/2015, I performed a site inspection at the location in the complaint (see Doc# 673802437) and I observed oil over spray coming from the PRV of the East tank on the location. I observed this over spray had transferred out side of the containment area onto the ground as well as in the berm area. I also could hear the release of gas coming from the PRV on the East tank. I took a infrared spectrum video of the location and I could see in the video the release of gas from the PRV on the East tank. I observed two works working on wellheads and I advised them of the release of gas and I asked them to remove themselves from the unsafe work area until the release could be managed.

Photos of stained soil

Summary:

Upon inspection a release of gas from the PRV and a spill was observed. The Operator of record (Bayswater) was contacted and made aware of the spill and the release of gas. Operator was given corrective actions to remediate or remove the spill and repair or replace the PRV to contain the venting gas. Operator indicated this location had been transferred to Great Western. I also spoke with Great Western representative and notified them. See Doc#673802437.

BradenHeadComment: **Exposed for testing**

CA:

CA Date:

Facility ID: **428310** Type: **WELL** API Number: **123-35318** Status: **PR** Insp. Status: **PR****Producing Well**Comment: **PR****Complaint**Comment: **Complaint #: 200436603****Field Inspector Assigned: Gomez, Jason****Complaint Received:****Date: 8/12/2015 Time (Military): 1530Hrs****Contacted by Inspector:****Date: 8/12/2015Time (Military): 1600 Hrs****Well Number: 05-Choose an item.-Click here to enter text. Location #: 428320****Inspection Document #: 673802437****Complainant: Stacy Haggard Phone: 970-381-5958****Address: 38399 WCR 29 Eaton, CO 80615****Nature of complaint: Odor****Field Inspector Actions:****On 8/12/2015 I was contacted by Jim Precup of the COGCC in reference to a odor complaint #200436603.**

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Inspector Name: Gomez, Jason

BradenHead

Comment: **Exposed for testing**

CA: _____

CA Date: _____

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): Y _____

Comment: _____

Pilot: ON _____ Wildlife Protection Devices (fired vessels): YES _____

Reclamation - Storm Water - Pit

Interim Reclamation:

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

Land Use: IRRIGATED

Comment: _____

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? _____ CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____ 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? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

Inspector Name: Gomez, Jason

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 _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

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

Final Land Use: IRRIGATED _____

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 _____

Comment: _____

Corrective Action: _____ Date _____

Overall Final Reclamation _____ Well Release on Active Location ☐ Multi-Well Location ☐

<u>Storm Water:</u>						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Gravel	Pass					

S/AV: SATISFACTOR _____ Corrective Date: _____

Y _____

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

Attached Documents

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

Inspector Name: Gomez, Jason

Document Num	Description	URL
673802438	Complaint 200436603	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3668530
673802439	Infrared video	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3668531
673802445	Stained soil in dog house of seperator	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3668532
673802446	Stained soil compressor	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3668533

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.)