

**FORM
INSP**Rev
X/15**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:

10/17/2016

Submitted Date:

11/22/2016

Document Number:

677900206**FIELD INSPECTION FORM**
 Loc ID 324634 Inspector Name: FISCHER, ALEX On-Site Inspection ☐ 2A Doc Num:
Operator Information:OGCC Operator Number: 10352Name of Operator: CM PRODUCTION LLCAddress: 390 UNION BLVD SUITE 620City: LAKEWOOD State: CO Zip: 80228**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**33 Number of Comments14 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

Contact Name	Phone	Email	Comment
Kellerby, Shaun		shaun.kellerby@state.co.us	
Neidel, Kris		kris.neidel@state.co.us	
Waldron, Emily		emily.waldron@state.co.us	
Andrews, Dave		david.andrews@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
112265	PIT	AC			-	SPAULDING BATTERY (15 WELLS)	EI
112266	PIT	AC			-	SPAULDING BATTERY (15 WELLS)	EI
112267	PIT	AC			-	SPAULDING BATTERY (15 WELLS)	EI
112268	PIT	AC			-	SPAULDING BATTERY (15 WELLS)	EI
112269	PIT	AC			-	SPAULDING BATTERY (15 WELLS)	EI
115241	PIT	AC			-	SPAULDING "B" 1-15	EI
212169	WELL	SI		OW	057-06062	MARGARET SPAULDING 6 -A	EI
212187	WELL	SI		OW	057-06080	MARGARET SPAULDING 9	EI
212380	WELL	SI		OW	057-06273	SPAULDING-ENTRADA 2	EI
420409	NONFACILITY		11/18/2010		-	LONE PINE TREATMENT PITS	EI
427281	TANK BATTERY	AC	01/10/2012		-	M. SPAULDING CENTRALIZED TANK BATT 1	EI
441982	LAND APPLICATION SITE	AC	06/09/2015		-	CM Lone Pine Land Farm	EI

General Comment:

On October 17, 2016 COGCC Environmental Staff (Alex Fischer) conducted a inspection of CM Productions LLC, Lone Pine Field including the Pit Complex Facility (Location ID: 324634, Pit Facility IDs 112265, 112266, 112267, 112268, 112269, and 115241). Paul Henehan and Mike Gerstner (Fremont Environmental Inc.) were present to sample groundwater monitoring wells around the pit complex for the COGCC. Field Inspection Unit Supervisor (Shaun Kellerby) was on Location with Jim and Jaime Dschaak (Dschaak Trucking, LLC.) to assess conditions that need to be addressed prior to winter. The gates at both entrances were locked with locks provided by the COGCC. Weather was overcast, and temps in the 30-40 degrees with rain and snow at time of Inspection. The Facility and Field are SI at this time. For the most recent Environmental Field Inspection Report of this facility, please refer to document # 677900197. The overall inspection status shall remain the same as previous documents until all corrective actions have been completed. See summary attached.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: Overall Good: ☐**Spills:**

Type	Area	Volume			

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Venting:**

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities									
Facility ID:	<u>112265</u>	Type:	<u>PIT</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>112266</u>	Type:	<u>PIT</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>112267</u>	Type:	<u>PIT</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>112268</u>	Type:	<u>PIT</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>112269</u>	Type:	<u>PIT</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>115241</u>	Type:	<u>PIT</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>212169</u>	Type:	<u>WELL</u>	API Number:	<u>057-06062</u>	Status:	<u>SI</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>212187</u>	Type:	<u>WELL</u>	API Number:	<u>057-06080</u>	Status:	<u>SI</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>212380</u>	Type:	<u>WELL</u>	API Number:	<u>057-06273</u>	Status:	<u>SI</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>420409</u>	Type:	<u>NONFACILIT</u>	API Number:	<u>-</u>	Status:	<u></u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>427281</u>	Type:	<u>TANK</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>441982</u>	Type:	<u>LAND</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>EI</u>

Environmental

Waste Management:

Type	Management	Condition	GPS (Lat)	(Long)
Oily Soil	Piles	Inadequate		
Comment	An App 20' dia X 5' high liner material on Location from Pit Facility 115241 is present.			
Corrective Action	Properly dispose.			Date:
Oily Soil	Piles	Adequate		
Comment	Berms to prevent surface flow across Location appear to be adequate.			
Corrective Action	Remediate to Table 910-1 concentrations.			Date:
Oily Soil	Land Treatment	Adequate		
Comment	Landfarm- approximately 2.5' to 3' of material leveled. Appears that the material has been worked. Hay/straw has been worked into the material. No change from Inspection Document # 677900197.			
Corrective Action	Remediate to Table 910-1 concentrations.			Date:
Drums. Buckets, Containers	Other	Inadequate		
Comment	Storage Area North of Pits and East of Office Building <ul style="list-style-type: none"> • Pallet with fire bricks. • Catwalk and ladder. • (2) 55-gal empty containers. One labeled "antifreeze" the other labeled "15W40 oil." • (1) 55-gal container (red) on side with fluids present. • (2) 5-gal empty plastic pails. • (1) 5-gal empty gas can • (1) 2.5 gal empty chemical sprayer. • (1) 55-gal container (blue) with fluids present. • (1) 55-gal container (black) with fluids present. • Hoses, boards, and fittings. 			
Corrective Action	Comply with Rule 603.f. using the Rule 603.f. guidance document for further details.			Date:
Drums. Buckets, Containers	Other	Inadequate		
Comment	Injection Pump Area <ul style="list-style-type: none"> • (1) 55-gal container (blue) with fluids present labeled "Low Ash E Oil" and "Chevron." • Electrical wire and panels. • Various pumps, spools with conduit, pipe trailer, flat bed trailer with generator, oil skimmer, pipe racks, (2) Honeywell generators, electrical motors and pump(s), metal pipe, spools of plastic tubing, and fencing. The racks of tubing and rods present at the time of Inspection Document # 677900156 had been relocated to the barn/garage area. 			
Corrective Action	Comply with Rule 603.f. using the Rule 603.f. guidance document for further details.			Date:
Drums. Buckets, Containers	Other	Inadequate		
Comment	Office Area <ul style="list-style-type: none"> • (5) 5-gallon pails contents unknown, propane cylinder, hoses and fittings. • (2) port o toilets. 			
Corrective Action	Comply with Rule 603.f. using the Rule 603.f. guidance document for further details.			Date:
Drums. Buckets, Containers	Other	Inadequate		
Comment	Shed/Garage Area near Entrance to the Field <ul style="list-style-type: none"> • Tubing and rods previously located at storage area north of the Injection Pump Area have been relocated to the shed/garage area. • Injection pump motor previously located at the Injection Pump Area has been relocated to the shed/garage area. • There are pallets and approximately (8) tires are present outside of the shed/garage near the north east corner. 			

Corrective Action	Comply with Rule 603.f. using the Rule 603.f. guidance document for further details.				Date:	
Drums, Buckets, Containers	Other	Inadequate				
Comment	Shed near Production Facility • Approximately (12) 5-gal pails, contents unknown. • Roles of yellow plastic tubing.					
Corrective Action	Comply with Rule 603.f. using the Rule 603.f. guidance document for further details.				Date:	

Spill/Remediation:

Comment:

Corrective Action:

Date: _____

Emission Control Burner (ECB): _____

Comment:

Pilot: _____

Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Storm Water:

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

Comment: Corrective Action: Date: **Pits:** ☐ NO SURFACE INDICATION OF PITType: Produced WaterLined: NOPit ID: 112266Lat: 40.717034Long: -106.497960Reference Point: Other: Length: Width: **Lining:**Liner Type: Liner Condition: Comment: Alleged Bentonite Liner.Corrective Action: Date: c**Fencing:**Fencing Type: LivestockFencing Condition: AdequateComment: All Pit Facilities are secured within fenced area.Corrective Action: Date: **Netting:**Netting Type: Netting Condition: Comment: Not Netted.Corrective Action: Date: Anchor Trench Present: Oil Accumulation: YES2+ feet Freeboard: YESComment: • Pit Facility 112266- Fluid level app 15 feet below top of berm between Pit Facility 112265 and Pit Facility 112266. Approximately 80% of fluid surface is covered with hydrocarbons. Approximately 12-13' of oily material exposed on the pit banks. Oily boom on NW corner of pit bank. Pit not netted.Corrective Action: Date:

Refer to Supplemental form 27 Document Number 1642189 for Conditions of Approval and Corrective Action Dates (Remediate Pits July 1, 2015). Remove hydrocarbons per Rule 902 upon discovery.

Type: BS&WLined: NOPit ID: 115241Lat: 40.717386Long: -106.498280Reference Point: Other: Length: Width: **Lining:**Liner Type: Liner Condition: Comment: Corrective Action: Date: c**Fencing:**Fencing Type: LivestockFencing Condition: AdequateComment: All Pit Facilities are secured within fenced area.Corrective Action: Date:

Netting:				
Netting Type:		Netting Condition:		
Comment:	Not Netted.			
Corrective Action				
Anchor Trench Present:		Oil Accumulation:	2+ feet Freeboard:	
Comment:	• Pit Facility 115241- Dry with vegetation growing in pit bottom. Soil from on top of pit embankment falling into pit. Pit not netted.			
Corrective Action	Refer to Supplemental form 27 Document Number 1642189 for Conditions of Approval and Corrective Action Dates (Remediate Pits July 1, 2015). Remediate Pit to table 910-1 concentrations.			
Type:	Produced Water	Lined:	NO	Pit ID: 112268 Lat: 40.717751 Long: -106.499514
Reference Point:		Other:		Length: Width:
Lining:				
Liner Type:		Liner Condition:		
Comment:	Alleged Bentonite Liner.			
Corrective Action				
Fencing:				
Fencing Type: Livestock		Fencing Condition: Adequate		
Comment:	All Pit Facilities are secured within fenced area.			
Corrective Action				
Netting:				
Netting Type:		Netting Condition:		
Comment:	Not Netted.			
Corrective Action				
Anchor Trench Present:		Oil Accumulation: YES	2+ feet Freeboard: YES	
Comment:	• Pit Facility 112268- Fluid level app 20 feet below top of berm between Pit Facility 112268 and Pit Facility 112269 covering an area app 40' in diameter. 80% of fluid surface is covered with hydrocarbons. Approximately 15-20' of oily material exposed on the pit banks. Pit not netted.			
Corrective Action	Refer to Supplemental form 27 Document Number 1642189 for Conditions of Approval and Corrective Action Dates (Remediate Pits July 1, 2015). Remove hydrocarbons per Rule 902 upon discovery.			
Type:	Produced Water	Lined:	NO	Pit ID: 112265 Lat: 40.717314 Long: -106.497911
Reference Point:		Other:		Length: Width:
Lining:				
Liner Type:		Liner Condition:		
Comment:	Alleged Bentonite Liner.			
Corrective Action				
Fencing:				
Fencing Type: Livestock		Fencing Condition: Adequate		
Comment:	All Pit Facilities are secured within fenced area.			
Corrective Action				

Netting:Netting Type: Fence/Net ComboNetting Condition: Sagging into pit contentsComment: Holes, Gaps, Sagging into Pit.Corrective
Action

Date:

Anchor Trench Present:

Oil Accumulation: YES2+ feet Freeboard: YESComment: • Pit Facility 112265-Fluid level app 8 feet below top of berm between Pit Facility 112265 and Pit Facility 112266. Approximately 10% of fluid surface is covered with hydrocarbons and sheen. Approximately 5' of oily material exposed on the pit banks. Pit netted and in disrepair.Corrective
Action

Date:

Refer to Supplemental form 27 Document Number 1642189 for Conditions of Approval and Corrective Action Dates (Remediate Pits July 1, 2015). Remove hydrocarbons per Rule 902 upon discovery.Type: Produced WaterLined: NOPit ID: 112267Lat: 40.717130Long: -106.498386

Reference Point: _____

Other: _____

Length: _____

Width: _____

Lining:

Liner Type:

Liner Condition:

Comment: Alleged Bentonite Liner.Corrective
ActionDate: cFencing:Fencing Type: LivestockFencing Condition: AdequateComment: All Pit Facilities are secured within fenced area.Corrective
Action

Date:

Netting:

Netting Type:

Netting Condition:

Comment: Not Netted.Corrective
Action

Date:

Anchor Trench Present:

Oil Accumulation: YES2+ feet Freeboard: YESComment: • Pit Facility 112267- Fluid level app 15 feet below top of south berm, covering an app 50' x 30' area. 50% of fluid surface is covered with hydrocarbons. Approximately 12-13' of oily material exposed on the pit banks. Oily boom in pit on west side, tumble weeds in pit. Pit not netted.Corrective
Action

Date:

Refer to Supplemental form 27 Document Number 1642189 for Conditions of Approval and Corrective Action Dates (Remediate Pits July 1, 2015). Remove hydrocarbons per Rule 902 upon discovery.Type: Produced WaterLined: NOPit ID: 112269Lat: 40.718083Long: -106.499402

Reference Point: _____

Other: _____

Length: _____

Width: _____

Lining:

Liner Type:

Liner Condition:

Comment: Alleged Bentonite Liner.Corrective
ActionDate: cFencing:Fencing Type: LivestockFencing Condition: AdequateComment: All Pit Facilities are secured within fenced area.Corrective
Action

Date:

Netting:		
Netting Type:	Netting Condition:	
Comment:	Not Netted.	
Corrective Action		
Anchor Trench Present:	Oil Accumulation: <u>NO</u>	2+ feet Freeboard: <u>YES</u>
Comment:	• Pit Facility 112269- No fluid present. Approximately 20-25' of oily material exposed on the pit banks. Pit not netted.	
Corrective Action	Refer to Supplemental form 27 Document Number 1642189 for Conditions of Approval and Corrective Action Dates (Remediate Pits November 1, 2014). Remediate Pit to Table 910-1 concentrations.	
		Date:

COGCC Comments

Comment	User	Date
<p>On October 17, 2016 COGCC Environmental Staff (Alex Fischer) conducted a inspection of CM Productions LLC, Lone Pine Field including the Pit Complex Facility (Location ID: 324634, Pit Facility IDs 112265, 112266, 112267, 112268, 112269, and 115241). Paul Henahan and Mike Gerstner (Fremont Environmental Inc.) were present to sample groundwater monitoring wells around the pit complex for the COGCC. Field Inspection Unit Supervisor (Shaun Kellerby) was on Location with Jim and Jaime Dschaak (Dschaak Trucking, LLC.) to assess conditions that need to be addressed prior to winter. The gates at both entrances were locked with locks provided by the COGCC. Weather was overcast, and temps in the 30-40 degrees with rain and snow at time of Inspection. The Facility and Field are SI at this time. For the most recent Environmental Field Inspection Report of this facility, please refer to document # 677900197. The overall inspection status shall remain the same as previous documents until all corrective actions have been completed. The following is a summary:</p> <ul style="list-style-type: none"> • Unused equipment south of the Margaret Spaulding #14, API 05-057-06108. • Stock pile of E&P waste (treated soil) immediately west of pits is bermed and berm is maintained to prevent runoff across lease road and Location. • UIC well is not on line or hooked up. Electricity present and motor previously present was removed and located to barn/garage area near the entrance to the field. • All Pit Facilities are secured within fenced areas. • Pit Facility 115241- Dry with vegetation growing in pit bottom. Soil from on top of pit embankment falling into pit. Pit not netted. • Pit Facility 112265-Fluid level app 8 feet below top of berm between Pit Facility 112265 and Pit Facility 112266. Approximately 10% of fluid surface is covered with hydrocarbons and sheen. Approximately 5' of oily material exposed on the pit banks. Pit netted and in disrepair. • Pit Facility 112266- Fluid level app 15 feet below top of berm between Pit Facility 112265 and Pit Facility 112266. Approximately 80% of fluid surface is covered with hydrocarbons. Approximately 12-13' of oily material exposed on the pit banks. Oily boom on NW corner of pit bank. Pit not netted. • Pit Facility 112267- Fluid level app 15 feet below top of south berm, covering an app 50' x 30' area. 50% of fluid surface is covered with hydrocarbons. Approximately 12-13' of oily material exposed on the pit banks. Oily boom in pit on west side, tumble weeds in pit. Pit not netted. • Pit Facility 112268- Fluid level app 20 feet below top of berm between Pit Facility 112268 and Pit Facility 112269 covering an area app 40' in diameter. 80% of fluid surface is covered with hydrocarbons. Approximately 15-20' of oily material exposed on the pit banks. Pit not netted. • Pit Facility 112269- No fluid present. Approximately 20-25' of oily material exposed on the pit banks. Pit not netted. • Landfarm- approximately 2.5' to 3' of material leveled. Appears that the material has been worked. Hay/straw has been worked into the material. No change from Inspection Document # 677900197. • Berms to prevent surface flow across Location appear to be adequate. • Stockpile west of Pit Facility 115241 has been removed and leveled. No change from Inspection Document # 677900197. • An App 20' dia X 5' high liner material on Location from Pit Facility 115241 is present. This had been removed at the time of Inspection Document # 677900156. 	fischera	11/21/2016

- Transformer/Electric panels enclosed with an approximate 20' by 30' hog panel fence. Electric meter has been removed.
- Injection pump not mechanically connected.
- Tank #1: 400 bbl PW plumbed with marking (Injection Bypass, Drain, Treater Water Dump, Gas Bubbler, Oil Skim). Valves appear to be in SI position. By tapping on tank wall, tank appears to be empty. Tank labeled but not placard.
- Tank #6: 400 bbl PW plumbed with app 6-inch line going subgrade. Valves appear to be in SI position. By tapping on tank wall, tank appears to be empty. Tank labeled but not placard.
- Tank #5: (6503) 400 bbl Oil plumbed and valve open to Tank #4. By tapping on tank wall, tank appears to be empty.
- Tank #4: 400 bbl PW plumbed and valve open to Tank #3. By tapping on tank wall, tank appears to be empty.
- Tank #3: 400 bbl PW plumbed and valve open to Tank #2. By tapping on tank wall, tank appears to be empty.
- Tank #2: 400 bbl PW plumbed and valve open to Tank #3. By tapping on tank wall, tank appears to be empty.
- Three (3) 400 bbl tanks near facility building have open hatches at base of tanks within inside of building. They appear to be connected all have valves SI and locked out.
- Tank #7: 400 bbl bottom entry hatch open.
- Tank #8: 400 bbl bottom entry hatch open.
- Tanks 6499 and 6500 plumbed to load out areas with 6500 plumbed subgrade. Contents of 6499 (app 40 bbls of fluid), 6500 (app 30 bbls of fluid), and 6501 (app 400 bbls of fluid) unknown all with valves in SI position.
- Five (5) 300-gal totes stored within a secondary containment area with secure lids. Two are full of fluid and one has app 6-8-inches of fluid present the others empty.
- Facility Building: Equipment, supplies, 5-gallon pails (some with oil), oily stained soil throughout the facility building.
- Spring Gulch flowing.
- Equipment and supplies throughout the Location.
- Office building was not secured as COGCC lock had been removed. A new lock was placed to secure the office building.

Storage Area North of Pits and West of Office Building

- Pallet with fire bricks.
- Catwalk and ladder.
- (2) 55-gal empty containers. One labeled "antifreeze" the other labeled "15W40 oil."
- (1) 55-gal container (red) on side with fluids present.
- (2) 5-gal empty plastic pails.
- (1) 5-gal empty gas can
- (1) 2.5 gal empty chemical sprayer.
- (1) 55-gal container (blue) with fluids present.
- (1) 55-gal container (black) with fluids present.
- Hoses, boards, and fittings.

Injection Pump Area

- (1) 55-gal container (blue) with fluids present labeled "Low Ash E Oil" and "Chevron."
- Electrical wire and panels.
- Various pumps, spools with conduit, pipe trailer, flat bed trailer with generator, oil skimmer, pipe racks, (2) Honeywell generators, electrical motors and pump(s), metal pipe, spools of plastic tubing, and fencing. The racks of tubing and rods present at the time of Inspection Document # 677900156 had been relocated to the barn/garage area.

Office Area

- (5) 5-gallon pails contents unknown, propane cylinder, hoses and fittings.
- (2) port o toilets.

Shed near Production Facility

- Approximately (12) 5-gal pails, contents unknown.
- Roles of yellow plastic tubing.

Shed/Garage Area near Entrance to the Field

- Tubing and rods previously located at storage area north of the Injection Pump Area have been relocated to the shed/garage area.
- The trucks, backhoe, flatbed trailer with equipment have been removed.
- Injection pump motor previously located at the Injection Pump Area has been relocated to the shed/garage area.
- The contents inside of the shed/garage (wooden pallets, pipes, (2) propane cylinders, trash, chemical totes, fittings, insulation, chains, burn barrel with used oil filters) have been removed. There are pallets and approximately (8) tires are present outside of the

shed/garage near the north east corner.

057-06273

- Vertical tank near pulling unit has app 240-bbls of fluid present.

057-06062

- Possible bull plug leak.

057-06080

- Oil with sump and absorbent boom wrapped around well head.

Ground water sampling of the six (6) monitoring wells was performed by Fremont Environmental Inc., on behalf of the COGCC. See attached report.

Attached Documents

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

Document Num	Description	URL
677900206	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4008941
677900208	INSP Photo Log 20161017 Location 324634.pdf	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4008918
677900209	Spaulding GW Report Nov 2016 (2).pdf	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4008919
677900211	INSP Summary 20161017 CM Location 324634.pdf	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4008920