

**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:

06/23/2017

Submitted Date:

06/26/2017

Document Number:

674603401**FIELD INSPECTION FORM**
 Loc ID 336459 Inspector Name: Maclaren, Joe On-Site Inspection ☐ 2A Doc Num: _____
Operator Information:OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 16000 DALLAS PARKWAY #875City: DALLAS State: TX Zip: 75248-**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**5 Number of Comments1 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

Contact Name	Phone	Email	Comment
Hazard, Ellice		ellice.hazard@state.co.us	
Contact, General		regulatory@foundationenergy.com	
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
239727	WELL	PA	03/20/2014	GW	123-07515	FREDERICK 2	EG

General Comment:

Engineering Integrity inspection (Flowline Only) conducted on 6/23/2017 in regard to flowlines (out of service/ no longer in use) exposed and improperly abandoned associated with the Foundation Energy Frederick 2 (API 123-07515) and Frederick 3 (123-09242) wells. The flowlines are located at the Town of Frederick Milavec Reservoir Park (parking area) and can be seen from the access bridge. Details of the observation made from this field inspection are located in the flowline and comment sections of this report. Photos/ doc's uploaded can be accessed via links at end of report.

Inspected Facilities

Facility ID: 239727 Type: WELL API Number: 123-07515 Status: PA Insp. Status: EG

Flowline

#1	Type: Non-Well Site	5 of Lines
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Flowline Description

Flowline Type: Non-Well Site Size: _____ Material: _____
 Variance: _____ Age: _____ Contents: _____

Integrity Summary

Failures: _____ Spills: _____ Repairs Made: _____
 Coatings: _____ H2S: _____ Cathodic Protection: _____

Pressure Testing

Witnessed: _____ Test Result: _____ Charted: _____

COGCC Rules (check all that apply)

☐ 1101. Installation and Reclamation ☐ 1102. Operations, Maintenance, and Repair ☒ 1103. Abandonment

Comment: Flowlines associated with (PA) well(s) (Frederick 2 and Frederick 3) were not properly abandoned; Multiple flowlines were observed, several cut, exposed and un-sealed located at the Town of Frederick Milavec Reservoir Park (Firestone Lake/ parking area). There were 2-2" cut fiberglass, 2-1" (cut and uncut) poly, and 1-2" uncut steel pipes observed during this field inspection. The flowlines are located and visible from the access road at bridge crossing (over the creek) approximately 300 feet southeast of the reservoir.

Corrective Action: Properly abandon all flowlines associated with Frederick 2 (API 123-07515) and Frederick 3 (API 123-09242) wells per COGCC rule 1103. Contact COGCC Integrity Inspector/ see comment section of report.

Date: 08/07/2017

COGCC Comments

Comment	User	Date
Note: The Frederick 2 (API 123-09515) was plugged and abandoned, COGCC Form 6 doc #400622594 received on 06/11/2017; Also, several of the improperly abandoned flowlines may be associated with the Foundation Energy Frederick 3 (123-09242) plugged and abandoned per form 6 doc #400622621 received by COGCC on 06/11/2014. In addition, there are City of Frederick utilities (Electrical/ cable service) in close proximity (south and adjacent to) the exposed flowlines.	maclarej	06/26/2017
Contact COGCC Integrity Inspector Joe MacLaren @ (970)-382-1680 or joe.maclaren@state.co.us to set up a date/ time to meet on location and identify the flowlines associated with the Frederick 2/ Frederick 3 wells plugged and abandoned by Foundation Energy Management; and discuss plans for the proper abandonment of the flowlines per COGCC rule 1103.	maclarej	06/26/2017
COGCC Rule 1103. ABANDONMENT Each pipeline abandoned in place shall be disconnected from all sources and supplies of natural gas and petroleum, purged of liquid hydrocarbons, depleted to atmospheric pressure, and cut off three (3) feet below ground surface, or the depth of the pipeline, whichever is less and sealed at the ends. This requirement shall also apply to compressor or gas plant feeder pipelines upon decommissioning or closure of a portion or all of a compressor station or gas plant. Notice of such abandonment shall be filed with the Commission and with the local governmental designee or local government jurisdiction (submit COGCC form 42 notice of flowlines abandoned).	maclarej	06/26/2017

Attached Documents

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

Document Num	Description	URL
401318816	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4180524
674603402	Foundation Energy Form 6 Doc #400622594	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4180517
674603403	Foundation Energy Form 6 Doc #400622621	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4180518
674603404	View to North of improperly abandoned flowlines	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4180519
674603405	Cut flowlines on west side creek bank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4180520
674603406	Flowlines exposed on east side creek bank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4180521
674603407	Unsealed fiberglass flowline (leaking fluid)	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4180522