

**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:

10/17/2017

Submitted Date:

10/24/2017

Document Number:

681700932**FIELD INSPECTION FORM**
 Loc ID 331062 Inspector Name: Arauza, Steven On-Site Inspection ☐ 2A Doc Num:
Operator Information:OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 5057 KELLER SPRINGS RD STE 650City: ADDISON State: TX Zip: 75001**Status Summary:**

- ☒ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED

Findings:36 Number of Comments25 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

Contact Name	Phone	Email	Comment
,		regulatory@foundationenergy.com	All Inspections
Pesicka, Conor		conor.pesicka@state.co.us	
,		dnr_cogccengineering@state.co.us	
Allison, Rick		rick.allison@state.co.us	
Leonard, Mike		mike.leonard@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
258177	WELL	PR	11/01/2000	GW	123-20097	HOFFMAN 34-10	EI

General Comment:

COGCC environmental inspection of well, pit complex, and production facility. Follow-up to Remediation Projects #1836, #9287, and September 26, 2017 Field Inspection Report (doc #684904469).

Where corrective actions from previous field inspection reports remain unresolved, original corrective action dates remain unchanged.

Location				
Overall Good: <input type="checkbox"/>				
Signs/Marker:				
Type	TANK LABELS/PLACARDS			
Comment:	Labels and placards attached to crude oil/produced water ASTs and 110 bbl produced water PBV are adequate.			
Corrective Action:				Date:
Type	WELLHEAD			
Comment:	No sign at wellhead.			
Corrective Action:	Install sign to comply with Rule 210.b.			Date: 11/24/2017
Type	BATTERY			
Comment:	Battery sign located at SE corner of crude oil ASTs.			
Corrective Action:				Date:
Emergency Contact Number:				
Comment:				
Corrective Action:				Date: _____
Good Housekeeping:				
Type	WEEDS			
Comment:	Accumulation of wind-blown weeds at pump jack and wellhead. Uncontrolled weeds growing inside/along both produced water pits, as indicated in previous Field Inspection Report. See photos.			
Corrective Action:	Comply with Rule 603.f .			Date: 10/06/2017
Overall Good: <input type="checkbox"/>				
Spills:				
Type	Area	Volume		
Crude Oil	Tank	<= 1 bbl		
Comment:	Localized, oil-stained soil underlying loadout valve at SE corner and valve at NW corner of crude oil ASTs. See photos.			
Corrective Action:	Remove and properly dispose of non-E&P waste in accordance with Rule 907A.			Date: 10/26/2017
Lube Oil	Pump Jack	<= 1 bbl		
Comment:	Localized accumulations of oil-stained soil beneath prime mover. See photos.			
Corrective Action:	Remove and properly dispose of non-E&P waste in accordance with Rule 907A.			Date: 10/26/2017
Lube Oil	Pump Jack	<= 1 bbl		
Comment:	Localized accumulation of oil-stained soil and standing fluid beneath pump jack on west side, as indicated in previous Field Inspection Report. See photos.			
Corrective Action:	Remove and properly dispose of non-E&P waste in accordance with Rule 907A.			Date: 09/28/2017
Other	Pump Jack	<= 1 bbl		
Comment:	Localized accumulations of oil-stained soil beneath day tank at SW corner of pump jack. See photos.			
Corrective Action:	Remove and properly dispose of non-E&P waste in accordance with Rule 907A.			Date: 10/26/2017
Crude Oil	WELLHEAD	<= 1 bbl		
Comment:	Localized accumulation of oil-stained soil beneath wellhead. See photos.			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e.			Date: 10/26/2017

Crude Oil	Separator	<= 1 bbl		
Comment:		Localized, oil-stained soil and historical accumulations of oily waste inside of separator shed. See photos.		
Corrective Action:		Remove and properly dispose of oily waste, per Rule 907.e.		Date: 10/26/2017
Crude Oil	Tank	<= 1 bbl		
Comment:		Oily rag and small pile of oil-stained soil at skim tank. See photos.		
Corrective Action:		Remove and properly dispose of oily waste, per Rule 907.e.		Date: 10/26/2017
In Containment: No				
Comment:				
<input checked="" type="checkbox"/> Multiple Spills and Releases?				
Equipment:				corrective date
Type: Vertical Separator		# 1		
Comment:		Localized, oil-stained soil and historical accumulations of oily waste inside of separator shed. See photos.		
Corrective Action:		Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.		Date: 11/24/2017
Type: Pump Jack		# 1		
Comment:		Lube oil staining on either side of pump jack equipment and stained soil underlying pump jack, as documented on previous Field Inspection Report.		
Corrective Action:		Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.		Date: 11/24/2017
Type: Flow Line		# 3		
Comment:		NOT IN USE: Uncapped, steel 2" flowline riser west of northern crude oil AST. Two 2" steel flowline risers (once bulplugged, one uncapped) at SE corner of crude oil AST berms. See photos.		
Corrective Action:		Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.		Date: 11/03/2017
Type: Prime Mover		# 1		
Comment:		Historical accumulations of oil-stained soil beneath prime mover. Operator was instructed to ensure integrity in previous Field Inspection Report. See photos.		
Corrective Action:		Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.		Date: 10/26/2017
Type: Vertical Heater Treater		# 1		
Comment:		Localized, oil-stained soil and historical accumulations of oily waste inside of separator shed. See photos.		
Corrective Action:		Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.		Date: 11/24/2017
Type: Ancillary equipment		# 2		
Comment:		Two day tanks located at SW and SE corners of pump jack. 55-gallon drum used as day tank at SW corner of pump jack lacks secondary containment. See photos.		
Corrective Action:		Repair or install berms or other secondary containment devices per Rule 906.d.(1).		Date: 11/24/2017
Type: Flow Line		# 1		
Comment:		NOT IN USE: Uncapped 2" steel riser north of produced water pit, marked by T-post (approx. lat./long. 40.621343/-104.075178). See photos.		

Corrective Action:	Contact the Engineering Integrity section to discuss flowline abandonment requirements per Rule 1103. Along with the rule, the COGCC Operator Guidance, Rules 1101, 1102, and 1103: Flowline Guidance 1101 and 1102 guidance document can provide further details. Contact dnr_cogccengineering@state.co.us with resolution plan.	Date:	11/03/2017
Type: Other	# 1		
Comment:	Fresh crude oil stains observed on wellhead equipment. See photos.		
Corrective Action:	Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.	Date:	11/24/2017

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
OTHER	1	OTHER	Open Top		
Comment:	Open-top fiberglass skim tank lacks NFPA placard and volume labels. See photos.				
Corrective Action:	Install sign to comply with Rule 210.d.				Date:
					12/24/2017

Paint

Condition	
Other (Content)	
Other (Capacity)	unknown
Other (Type)	skim tank

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Inadequate				
Comment:	Skim tank buried in SW pit berm, but lacks adequate secondary containment of its own. See photos				
Corrective Action:	Repair or install berms or other secondary containment devices per Rule 605.a.(4).			Date:	
				11/24/2017	
Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	300 BBLS	FIBERGLASS AST		
Comment:	Small puddle of water beneath loadout on NE side of produced water AST. See photos.				
Corrective Action:	Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.				Date:
					11/24/2017

Paint

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate	Walls Sufficient		Adequate	
Comment:	Earthen berms shared with 110 bbl fiberglass PBV and separator shed. See photos.				
Corrective Action:				Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	OTHER	PBV FIBERGLASS		
Comment:					

Corrective Action:		Date:	
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Paint

Condition	
Other (Content)	
Other (Capacity)	110 bbls
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient		Adequate
Comment: Earthen berms shared with fiberglass produced water AST and separator shed. See photos.				
Corrective Action:				Date:

Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	2	300 BBLS	STEEL AST		,
Comment: Localized, oil-stained soil underlying valves attached to crude oil ASTs. See photos.					
Corrective Action: Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.					Date: 11/24/2017

Paint

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient		Inadequate
Comment: Earthen berms are eroded and in need of repair. See photos.				
Corrective Action: Repair or install berms or other secondary containment devices per Rule 605.a.(4).				Date: 11/24/2017

Venting:

Yes/No		
Comment:		
Corrective Action:		Date:

Flaring:

Type	
Comment:	
Corrective Action:	Date:

Environmental**Spill/Remediation:**

Comment: Remediation Project #1836 (attached) documents previous operator's intent to apply oil-saturated soils to area north of produced water pit for land treatment. Field inspection report and attachments dated 3/15/2006 (doc #2090054--attached) document continued TPH impacts at pit complex. To date, neither current nor previous operator have filed follow-up compliance documentation to COGCC.

Corrective Action: Contact EPS Steven Arauza to discuss closure requirements and submission requirements for REM #1836. Provide update to EPS Rick Allison regarding status of Remediation Project #9287.

Date: 11/03/2017

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: [Precipitation pooling at NW, SW, and SE sides of pump jack resulting in ruts on well pad. See photos.](#)

Corrective Action: [Install or repair required BMPs per Rule 1002.f.](#)

Date: 11/24/2017

Pits: ☐ NO SURFACE INDICATION OF PIT

Type: Produced Water Lined: NO Pit ID: 273442 Lat: 40.621210 Long: -104.075049

Reference Point: _____ Other: _____ Length: 90 Width: 40

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Corrective Action

Date: c

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: [No fence](#)

Corrective Action

Date: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: [No net](#)

Corrective Action

Date: _____

Anchor Trench Present: NO Oil Accumulation: NO 2+ feet Freeboard: YES

Comment: [Localized, oil-stained soil and weeds at SW corner of pit, near skim tank outlet, and NE corner of pit, near plumbing to secondary pit. See photos.](#)

Corrective Action

[Remove and properly dispose of oily waste, per Rule 907.e.](#)

Date: 10/26/2017

Type: Produced Water Lined: NO Pit ID: 273443 Lat: _____ Long: _____

Reference Point: _____ Other: _____ Length: _____ Width: _____

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Corrective Action

Date: c

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: [No fence](#)

Corrective Action

Date: _____

Netting:

Netting Type:		Netting Condition:	
Corrective Action	Comment:	No net	
Anchor Trench Present: <u>NO</u>		Oil Accumulation: <u>NO</u>	2+ feet Freeboard: <u>YES</u>
Corrective Action	Comment:	Uncontrolled weeds growing in and around pit. See Housekeeping section for corrective actions.	
		Date:	
		Date:	

Attached Documents

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

Document Num	Description	URL
401439423	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4282747
681700936	Hoffman 34-10 field photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4282742
681700937	Remediation 1836_approved	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4282743
681700938	2006 FIR with attachments	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4282744