

**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:

11/28/2017

Submitted Date:

12/04/2017

Document Number:

681700957**FIELD INSPECTION FORM**Loc ID 331563 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:25 Number of Comments22 Number of Corrective Actions

- ☒
- Corrective Action Response Requested

Contact Information:

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

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
263494	WELL	PR	10/15/2002	OW	123-20908	STATE 36-16	EI

General Comment:

COGCC environmental inspection of wellhead and production facility. Follow-up to Field Inspection Reports (FIRs) #681700926 and #667400555.

Of the twenty-two (22) corrective actions listed in this report, sixteen (16) are corrective actions that remain unresolved from previous FIRs. Where corrective actions from previous FIRs remain unresolved, corrective action dates remain unchanged.

Location				
Lease Road:				
Type	Access			
comment:	Access road to wellhead is rutted.			
Corrective Action:	Repair and maintain lease road.		Date:	01/04/2018
Overall Good: <input type="checkbox"/>				
Signs/Marker:				
Type	WELLHEAD			
Comment:	No sign at wellhead. This corrective action remains unresolved from previous FIR.			
Corrective Action:	Install sign to comply with Rule 210.b. (well sign)		Date:	11/24/2017
Type	BATTERY			
Comment:	Operator emergency contact information decal is damaged. Phone number is illegible. See photos. This corrective action remains unresolved from previous FIR.			
Corrective Action:	Install sign to comply with Rule 210.b. (battery sign)		Date:	11/24/2017
Emergency Contact Number:				
Comment:				
Corrective Action:				Date: _____
Good Housekeeping:				
Type	UNUSED EQUIPMENT			
Comment:	Unused 2" bullplugged flowline risers east of crude oil ASTs. See photos.			
Corrective Action:	Comply with Rule 603.f. (flowlines)		Date:	03/04/2018
Type	STORAGE OF SUPL			
Comment:	Two 55-gallon drums are being used for storage inside of pump jack shed. One 55-gallon drum outside of shed to the east is uncapped. See photos.			
Corrective Action:	Comply with Rule 603.f. (55-gallon drum).		Date:	01/04/2018
Overall Good: <input type="checkbox"/>				
Spills:				
Type	Area	Volume		
Crude Oil	WELLHEAD	<= 1 bbl		
Comment:	Localized historical accumulation of oily waste and oil-stained soil at wellhead. See photos. This corrective action remains unresolved from previous FIR.			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. (wellhead)		Date:	10/26/2017
Crude Oil	Pump Jack	<= 1 bbl		
Comment:	Historical accumulation of oily waste and oil-stained soil beneath south end of pump jack and day tanks at south end of pump jack. See photos. This corrective action remains unresolved from previous FIR.			
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. (pump jack and day tanks)		Date:	10/26/2017
Lube Oil	Pump Jack	<= 1 bbl		
Comment:	Localized, oil-stained soil beneath prime mover. See photos. This corrective action remains unresolved from previous FIR.			
Corrective Action:	Remove and properly dispose of non-E&P waste in accordance with Rule 907A. (prime mover)		Date:	10/26/2017
Crude Oil	Tank	<= 1 bbl		

Comment:	Localized, oil-stained soil east of crude oil ASTs. Historical accumulations of oily waste beneath valves on north and south sides of crude oil ASTs. See photos. This corrective action remains unresolved from previous FIR.				
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. (tanks)			Date:	10/26/2017
Crude Oil	Separator	<= 1 bbl			
Comment:	Localized, oil-stained soil inside of treater/separator shed. See photos. This corrective action remains unresolved from previous FIR.				
Corrective Action:	Remove and properly dispose of oily waste, per Rule 907.e. (separator)			Date:	10/26/2017

In Containment: No

Comment:

☒ Multiple Spills and Releases?

Equipment:			corrective date
Type: Vertical Separator	# 1		
Comment:	Localized, oil-stained soil inside of separator/treater 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. (separator)		Date: 01/04/2018
Type: Prime Mover	# 1		
Comment:	Historical accumulation of lube oil beneath prime mover. See photos. This corrective action remains unresolved from previous FIR.		
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. (prime mover)		Date: 11/24/2017
Type: Flow Line	# 2		
Comment:	2" and 1" flowline risers at NE corner of pit. 2" riser is plumbed to discharge into pit. See photos. Operator was instructed to contact COGCC Engineering unit regarding flowline requirements in previous FIR.		
Corrective Action:			Date:
Type: Ancillary equipment	# 2		
Comment:	Day tanks at SW and SE corners of pump jack lack secondary containment devices. See photos. This corrective action remains unresolved from previous FIR.		
Corrective Action:	Repair or install berms or other secondary containment devices per Rule 906.d.(1). (day tanks)		Date: 11/24/2017
Type: Vertical Heater Treater	# 1		
Comment:	Localized, oil-stained soil inside of separator/treater 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. (treater)		Date: 01/04/2018

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
OTHER	1	OTHER	PBV FIBERGLASS		
Comment:	50 bbl skim tank on west end of produced water tank lacks NFPA placard. See photos. This corrective action remains unresolved from previous FIR.				
Corrective Action:	Install sign to comply with Rule 210.d.				Date: 12/24/2017

Paint

Condition	
Other (Content)	skim tank
Other (Capacity)	50 bbls

Other (Type)						
<u>Berms</u>						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
Earth	Inadequate			Inadequate		
Comment:	Earthen berm shared with produced water pit. Berms are eroded and damaged. Skim tank lacks adequate earthen berms on north, west, and south sides. See photos. This corrective action remains unresolved from previous FIR.					
Corrective Action:	Repair or install berms or other secondary containment devices per Rule 605.a.(4). (skim tank)					Date: 11/24/2017
Contents	#	Capacity	Type	Tank ID	SE GPS	
PRODUCED WATER	1	300 BBLS	FIBERGLASS AST		,	
Comment:						
Corrective Action:						Date:
<u>Paint</u>						
Condition						
Other (Content)						
Other (Capacity)						
Other (Type)						
<u>Berms</u>						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
Earth	Inadequate					
Comment:	Earthen berm is shallow due to erosion and damage. Berm area is insufficient to contain tank volume plus freeboard per Rule 605.a.(4). Operator had been instructed to improve capacity at produced water tank in 1/28/2015 Field Inspection Report. This corrective action remains unresolved from previous FIR.					
Corrective Action:	Immediately repair or install berms or other secondary containment devices per Rule 605.a.(4). (PW tank)					Date: 02/27/2015
Contents	#	Capacity	Type	Tank ID	SE GPS	
CRUDE OIL	3	300 BBLS	STEEL AST		,	
Comment:	Historical accumulations of oily waste beneath valves on north and south sides of crude oil ASTs. This corrective action remains unresolved from previous FIR.					
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. (crude oil ASTs)					Date: 11/24/2017
<u>Paint</u>						
Condition						
Other (Content)						
Other (Capacity)						
Other (Type)						
<u>Berms</u>						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
Earth	Adequate			Inadequate		
Comment:	Earthen berms are shallow and eroded. Depression north of ASTs, inside of berm, was dry on date of inspection. See photos. This corrective action remains unresolved from previous FIR.					
Corrective Action:	Repair or install berms or other secondary containment devices per Rule 605.a.(4). (crude oil ASTs)					Date: 11/24/2017

<u>Venting:</u>			
Yes/No			
Comment:			
Corrective Action:		Date:	
<u>Flaring:</u>			
Type			
Comment:			
Corrective Action:		Date:	

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Environmental**Spill/Remediation:**

Comment: Operator was instructed via email (doc #2145827) to perform work under according to approved Site Investigation and Remediation Workplan (Remediation Project #1833) and to submit a Sundry Notice with supporting documentation once work is complete in order to resolve Remediation Project #1833 and NOAV #1175574. There are no records to indicate that operator has performed required work. Operator contacted COGCC on 10/27/2017 to briefly discuss active remediation project.

Corrective Action: Contact EPS Steven Arauza to discuss closure and submission requirements.

Date: 12/15/2017

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: Corrective Action: Date: **Pits:** ☐ NO SURFACE INDICATION OF PITType: Produced WaterLined: NOPit ID: 273446Lat: 40.611835Long: -104.034734Reference Point: Other: Length: Width: **Lining:**Liner Type: Liner Condition: Comment: Corrective Action: Date: c**Fencing:**Fencing Type: Fencing Condition: Comment: Corrective Action: Date: **Netting:**Netting Type: MeshNetting Condition: GapsComment:

Gaps in wildlife mesh are large enough to allow wildlife access. See photos. Gaps were also reported in previous FIRs.

Corrective Action:

Repair mesh to prevent access per Rule 902.d.

Date: 10/25/2017Anchor Trench Present: NOOil Accumulation: NO2+ feet Freeboard: YESComment:

Pit berms are damaged and eroded. Localized accumulations of oil-stained soil inside NW and SW corners of berms and incorporated into east and south berms. See photos. This corrective action remains unresolved from previous FIR.

Corrective Action:

Remove and properly dispose of oily waste, per Rule 907.e. Repair berms.

Date: 10/26/2017**Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/webblink/>) and search by document number:

Document Num	Description	URL
401475023	INSPECTION SUBMITTED	http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4316252
681700962	Field photos	http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4316249