

**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:

12/05/2017

Submitted Date:

12/11/2017

Document Number:

685200414**FIELD INSPECTION FORM**Loc ID 440803 Inspector Name: LABOWSKIE, STEVE On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 77330Name of Operator: SG INTERESTS I LTDAddress: 100 WAUGH DR SUITE 400City: HOUSTON State: TX Zip: 77007**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**15 Number of Comments5 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

Contact Name	Phone	Email	Comment
Arthur, Denise		denise.arthur@state.co.us	
Conklin, Curtis		curtis.conklin@state.co.us	
Ash, Margaret		margaret.ash@state.co.us	
Inspections, All		inspection@sginterests.com	All Inspections
Kellerby, Shaun		shaun.kellerby@state.co.us	
Roy, Catherine		catherine.roy@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
438645	WELL	PR	12/13/2015	LO	051-06045	Falcon Seaboard 11-90-12 3	PR
441411	WELL	XX	02/09/2017	LO	051-06138	Falcon Seaboard 11-90-12 6	ND
441412	WELL	WO	08/23/2015	LO	051-06139	Falcon Seaboard 11-90-12 5	WO
441922	WELL	XX	04/13/2017	LO	051-06148	Falcon Seaboard 11-90-12 7	ND

General Comment:

Ongoing flowback operations with simultaneous welding operations of flowlines and equipment at time of inspection. See "location", "construction" and "stormwater" sections for additional new corrective actions with a focus on proper site clean up and prevention of similar conditions in future operations (planning and training). Conditions related to leaks, releases and trash have either not been cleaned up or conditions have re-occured. New areas of location are also now exposed as frac tanks have been removed.

LocationOverall Good: ☒

Signs/Marker:			
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment:

Corrective Action: Date:

Good Housekeeping:

Type	TRASH		
Comment:	Oily rags (see inspection photos) and small trash observed, bear resistant trash container on site.		
Corrective Action:	Keep small trash in trash container per Rule 603.f and COA. Oily rags must be stored in a closed top metal container per Rule 606.j		Date: 12/10/2017

Overall Good: ☐

Spills:				
Type	Area	Volume		
Other	WELLHEAD	<= 1 bbl		
Comment:	Dark area of impacted material south of wellhead, unknown if E&P waste or non-E&P waste, depending on saturation/absorption amounts fluid volumes may have been greater than 1 bbl but probably not 5 bbls. Some sawdust observed as inadequate spill response. See "construction" and "stormwater" sections for more details corrective actions and resolution.			
Corrective Action:	Clean up impacted material (do not cover) and disposed in approved manner per applicable sections of Rules 906, 907 and 1002.			Date: 12/26/2017

In Containment: No

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

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Location ConstructionLocation ID: 438645 CDP: Comment: Comments and corrective actions in this section pertain to site specific COAsCorrective Action: Date: **Form 2A COAs:**Comment: No pipeline or flowline leaks observed. Location bermed (with plugged outlet drains).

Corrective Action: _____ Date: _____

Wildlife BMPs:

Comment: Bear resitant trash bin on location

Corrective Action: _____ Date: _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
DITCHES	Yes	Self Inspection	No`

Comments: Erosion BMPs: _____

Other BMPs: _____

Corrective Action: Train/refresh personnel in self inspection techniques for spills, leaks and trash per Rule 1002.f and COA. Date: 12/26/2017

RETENTION PONDS	Yes		
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Comments: Erosion BMPs: _____

Other BMPs: _____

Corrective Action: _____ Date: _____

BERMS	Yes	Material Handling And Spill Prevention	No`
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Comments: Erosion BMPs: _____

Other BMPs: Some BMPs are working, conditions at location illustrate that some practices are inadequate or have broken down. Only small amount of sawdust used in response to spill/release on soth side of location (see photos). Light, dark and red-orange impacted material and stains observed were frac tanks were located.

Corrective Action: Train/refresh personnel in spill prevention and spill response procedures. Supply written plan to prevent and minimize staining and associated fluids leaks and releases that resulted in conditions observed (see photos). Techniques such as but not limited to: testing tanks for leaks/determining source of stains, employing tank/location liners, purginsuctioning of lines and valves prior to disassembly, using drip pans, testing and repairing valves and ongoing training. Per Rule 1002.f and COA. Date: 12/26/2017

Comment: Note: COGCC 1000 Series Rules require BMPs for amounts less than those which require a spill report and for materials that are not E&P waste to prevent pollutants from mixing with percipitation. See "stromwater" section for corrective action in regards to location clean up and future discharges off this pad prior to clean up.

Corrective Action: _____ **Date:** _____

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: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Inspected FacilitiesFacility ID: 438645 Type: WELL API Number: 051-06045 Status: PR Insp. Status: PRFacility ID: 441411 Type: WELL API Number: 051-06138 Status: XX Insp. Status: NDFacility ID: 441412 Type: WELL API Number: 051-06139 Status: WO Insp. Status: WO**Completion**Operation: Flowback

Date Flowback:

Contractor:

Comment:

Corrective Action:

Date:

Facility ID: 441922 Type: WELL API Number: 051-06148 Status: XX Insp. Status: ND

Reclamation - Storm Water - Pit**Interim Reclamation:**

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

Land Use: IMPROVED PASTURE, IRRIGATED, OTHER

Comment: Road base type fill material on west side cut slope

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____ Date _____

1002b. SOIL REMOVAL AND
SEGREGATION _____

Comment _____

Corrective Action _____ Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____ Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____ Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____ Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____ Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____ Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____ Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

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 REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment _____

Corrective Action _____ Date _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

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

Final Land Use: IMPROVED PASTURE, 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 _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment: _____

Corrective Action: _____ Date _____

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

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Retention Ponds	Pass			Material Handling And Spill Prevention	Pass	temporary fuel tanks with good spill prevention
Compaction	Pass	Gravel	Pass	Self Inspection	Fail	
Ditches	In Process			Spill Response	Fail	debris still in ditch, to be moved after frac tank
Berms	Pass	Compaction	Pass	Material Handling And Spill Prevention	Fail	frac tank leaks, motor leaks, stained soils

Comment: Dark, light and red orange colored impacted material and stains observed along western side of location, larger dark area with inadequate spill response (small amount sawdust) employed. Some BMPs are present but material handling, spill prevention and spill response BMPs have broken down and site is becoming degraded (see inspection photos).

Corrective Action: Clean up impacted material on pad in area south of wellhead and where frac tanks were located (see photos) to prevent mixing of materials and precipitation per rule 1002.f. Document material and amounts removed and disposal method. Do not discharge stormwater accumulations via location drain until clean up of all impacted material is complete. Any accumulations of precipitation prior to clean up should be properly disposed (vac truck and disposal well or commercial disposal) and not discharged off site.

Date: 12/26/2017

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
No fire extinguisher was seen readily available during welding operations, inspectors did not look in trailers or trucks, regardless, rule 606.0 requires that firefighting equipment shall be readily available near all welding operations.	labowsks	12/11/2017
Upon checking in at van per sign at entrance, no JSA was required, no hazards were identified when person in van was asked if there were any present for COGCC staff to be aware of.	labowsks	12/11/2017

Attached Documents

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

Document Num	Description	URL
685200418	inspection photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4322675