

**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:

685200413**FIELD INSPECTION FORM**Loc ID 428191 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:**4 Number of Comments1 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

Contact Name	Phone	Email	Comment
Ash, Margaret		margaret.ash@state.co.us	
Roy, Catherine		catherine.roy@state.co.us	
Kellerby, Shaun		shaun.kellerby@state.co.us	
Conklin, Curtis		curtis.conklin@state.co.us	
Burger, Craig		craig.burger@state.co.us	
Inspections, All		inspection@sginterests.com	All Inspections
, Engineering		dnr_cogccengineering@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
428189	WELL	PR	06/01/2017	SI	051-06106	HUGHES 11-90-26 2	SI
441484	WELL	XX	04/12/2015	LO	051-06140	Hughes 11-90-26 3	ND

General Comment:

COGCC staff members Steve Labowskie, Shaun Kellerby and Catherine Roy were present at operators request to view and discuss a variance request to store equipment on location during 2018 field season. This inspection documents 1 corrective actions completed (removal of stored frac tanks) and prescribes 1 new additional corrective action related to leak observed at wellhead. See 12/5/17 and previous reclamation inspection for reclamation and stormwater.

LocationOverall Good: ☐**Signs/Marker:**

Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment:		
Corrective Action:		Date: _____

Good Housekeeping:

Type	UNUSED EQUIPMENT		
Comment:	frac tanks no longer stored on location, corrective action prescribed in Doc#680602114 adequately performed		
Corrective Action:		Date:	
Type			
Comment:			
Corrective Action:		Date:	

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: De minimis water drip at loadout valve within containment, valve had frozen, master valve was closed upstream from drip. Operator began repairs while on site.

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

Yes/No	NO		
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected FacilitiesFacility ID: 428189 Type: WELL API Number: 051-06106 Status: PR Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____Comment: Corrective Action: Date: _____Facility ID: 441484 Type: WELL API Number: 051-06140 Status: XX Insp. Status: ND

Optical Gas Imaging Survey

Survey Type: _____

Current Operations: ☐ Production ☐ Workover ☐ Flowback ☐ Referred to APCD

GPS(entrance of location): Lat: _____ Long: _____

Wind: Calm Speed: 1-3 (mph) Direction From: sw Weather: Clear Temperature: (F)

Assisting Staff: _____ Camera #: _____

☐ Visible Smoke ☐ Referred to CDPHE

Times Surveyed

Equipment Surveyed

Time Survey Start	AM/PM	Time Survey End	AM/PM	Equipment
				Wellhead(s)

Comment: Partially frozen standing clear fluid in well cellar. Distinct surges of bubbles indicated a leak, wellhead flange was visible, bubbles appeared to be coming from below visible flange. FLIR camera obtained a signature consistent with hydrocarbon gas. FLIR video uploaded and available via link at end of report.

Corrective Action: Determine source of gas leak and repair per Rule 605.d, also determine if any fluids in cellar are associated with leak, respond to COGCC and take appropriate actions if fluids found to be leaking from well.

Date: 12/18/2017**Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
401482228	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4322677
685200416	FLIR video of wellhead leak	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4322673
685200417	loadout valve with de minimis drip	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4322674