

**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
Ash, Margaret		margaret.ash@state.co.us	
Kellerby, Shaun		shaun.kellerby@state.co.us	
Roy, Catherine		catherine.roy@state.co.us	
Inspections, All		inspection@sginterests.com	<a href="#">All Inspections</a>
Conklin, Curtis		curtis.conklin@state.co.us	
Arthur, Denise		denise.arthur@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.

**Location**Overall Good: ☒

<b>Signs/Marker:</b>			
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: ☐

<b>Spills:</b>				
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 Construction**Location 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
BERMS	Yes	Material Handling And Spill Prevention	No`

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: 12/26/201

7

RETENTION PONDS	Yes		
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Comments: Erosion BMPs:

Other BMPs:

Corrective Action:

Date:

DITCHES	Yes	Self Inspection	No`
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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: 12/26/201

7

**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 Facilities**Facility 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 REVEGETATION

Cropland

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
Compaction	Pass	Gravel	Pass	Self Inspection	Fail	
Retention Ponds	Pass			Material Handling And Spill Prevention	Pass	temporary fuel tanks with good spill prevention
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
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
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

**Attached Documents**

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

Document Num	Description	URL
401482231	INSPECTION SUBMITTED	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4322678">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4322678</a>
685200418	inspection photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4322675">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4322675</a>