

**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:

12/19/2017

Submitted Date:

12/21/2017

Document Number:

681700964

FIELD INSPECTION FORM

Loc ID 319937 Inspector Name: Arauza, Steven On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

OGCC Operator Number: 12400
Name of Operator: BYRON OIL INDUSTRIES INC
Address: 154 CLARKSON EXECUTIVE PARK
City: BALLWIN State: MO Zip: 63011

Findings:

- 28 Number of Comments
- 15 Number of Corrective Actions
- Corrective Action Response Requested

Contact Information:

| Contact Name | Phone | Email | Comment |
|-----------------|--------------|----------------------------------|-------------------------------------|
| Trujillo, Aaron | | aaron.trujillo@state.co.us | |
| BYRON, RICHARD | 636-391-8770 | byronoil@aol.com | ALL INSPECTIONS |
| , | | dnr_cogccengineering@state.co.us | |
| Legler, Paul | | paulleglerpumping@yahoo.com | Pumper for Byron Oil Industries Inc |
| Chesson, Bob | | robert.chesson@state.co.us | |
| Burn, Diana | | diana.burn@state.co.us | |
| , | | dnr_cogccenforcement@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 |
|-------------|------|--------|-------------|------------|-----------|----------------------------------|-------------|
| 114378 | PIT | AC | 06/22/2017 | | - | Price-Degenhart 1 Production Pit | AC |
| 201942 | WELL | PR | 12/01/2014 | OW | 001-07346 | PRICE-DEGENHART 1 | PR |

General Comment:

COGCC environmental inspection. Follow-up to Remediation Project #10531 and Field Inspection Report (FIR) #681700809. Modular, steel ASTs referenced in previous FIRs had been removed by operator prior to inspection date.

Three (3) out of the fifteen (15) corrective actions (CAs) included in this report are unresolved and their corresponding CA dates have expired. Where CAs required by previous FIRs remain unresolved, respective CA dates remain unchanged.

| Location | | | |
|---|---|----------|------------------|
| Overall Good: <input type="checkbox"/> | | | |
| Signs/Marker: | | | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Skim tank lacks required NFPA Placard and volume label. | | |
| Corrective Action: | Install signs on skim tank to comply with Rule 210.d. | Date: | 01/21/2018 |
| Type | BATTERY | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Emergency Contact Number: | | | |
| Comment: | | | |
| Corrective Action: | | | Date: _____ |
| Good Housekeeping: | | | |
| Type | OTHER | | |
| Comment: | Oil-stained vegetation remaining inside of north berm of produced water pit. See photos. | | |
| Corrective Action: | Remove and properly dispose of oily waste, per Rule 907.e. (oily vegetation) | Date: | 01/21/2018 |
| Type | UNUSED EQUIPMENT | | |
| Comment: | Unused equipment (excavated flowlines and assorted pipe) located NW of produced water pit. See photos. | | |
| Corrective Action: | Comply with Rule 603.f. (flowlines) | Date: | 03/21/2018 |
| Type | DEBRIS | | |
| Comment: | Assorted debris (corrugated sheet metal, wood, etc) inside of skim pit excavation and associated oily waste stockpiles. See photos. | | |
| Corrective Action: | Comply with Rule 603.f. (debris) | Date: | 01/21/2018 |
| Overall Good: <input checked="" type="checkbox"/> | | | |
| Spills: | | | |
| Type | Area | Volume | |
| Crude Oil | Treater | <= 1 bbl | |
| Comment: | Localized accumulations of oily waste inside of VHT shed. See photos. | | |
| Corrective Action: | Remove and properly dispose of oily waste per Rule 907.e. (VHT shed) | Date: | 01/21/2018 |
| Produced Water | WELLHEAD | <= 1 bbl | |
| Comment: | Small pool of water remaining at wellhead indicates possible integrity issue, as indicated on previous Field Inspection Reports. Occasional bubbles from subsurface were observed inside of puddle on inspection date. | | |
| 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. (wellhead) | | Date: 07/07/2017 |
| Crude Oil | Tank | <= 1 bbl | |
| Comment: | Significant historical accumulations of oily waste beneath modular tanks appear to have been removed. No visual evidence remains of accumulations documented in previous FIRs (see photos). No excavation or disposal documentation has been provided to COGCC. | | |

| | | | |
|--------------------|---|----------|------------|
| Corrective Action: | Provide final disposition of oily waste formerly underlying modular tanks to COGCC EPS Steven Arauza. | Date: | 01/12/2018 |
| Other | Pump Jack | <= 1 bbl | |
| Comment: | Blow-through motor oil accumulation beneath prime mover exhaust. See photos. | | |
| Corrective Action: | Remove and properly dispose of non-E&P waste, in accordance with Rule 907A. | Date: | 01/21/2018 |

In Containment: No

Comment: Operator has addressed localized accumulations of non-E&P waste on northeast side of pump jack and at prime mover exhaust. Field photos confirm that non-E&P waste is beginning to accumulate again at these locations. See Equipment section for corrective actions.

Multiple Spills and Releases?

| Fencing/: | | | |
|--------------------|---------------------------------------|-------|--|
| Type | TANK BATTERY | | |
| Comment: | Barbed wire fence | | |
| Corrective Action: | | Date: | |
| Type | SEPARATOR | | |
| Comment: | Barbed wire fence | | |
| Corrective Action: | | Date: | |
| Type | PIT | | |
| Comment: | Wire fence around produced water pit. | | |
| Corrective Action: | | Date: | |

| Equipment: | | | corrective date |
|-------------------------------|---|-------|-----------------|
| Type: Ancillary equipment | # 1 | | |
| Comment: | Propane tank at pump jack. | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Chemical storage drum at pump jack has adequate secondary containment. | | |
| Corrective Action: | | Date: | |
| Type: Pump Jack | # 1 | | |
| Comment: | Localized accumulations of lube oil beginning to accumulate on northeast side of pump jack. 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. (pump jack) | Date: | 01/21/2018 |
| Type: Vertical Heater Treater | # 1 | | |
| Comment: | Localized, oil-stained soil and audible gas leak observed inside of 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. (VHT) | Date: | 01/21/2018 |
| Type: Prime Mover | # 1 | | |
| Comment: | Blow-through oil beginning to accumulate beneath prime mover exhaust. 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. (prime mover exhaust) | Date: | 01/21/2018 |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|----------|---|----------|------|---------|--------|
| | | | | | |

| | | | | | |
|--------------------|--|-------|--|--|-------|
| OTHER | 1 | OTHER | | | |
| Comment: | 1550 gallon skim tank has been installed at NE corner of produced water pit to replace unlined earthen skim pit. See photos. | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | | | | | |
|------------------|-----------|--|--|--|--|
| Condition | | | | | |
| Other (Content) | skim tank | | | | |
| Other (Capacity) | 1550 gal | | | | |
| Other (Type) | | | | | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
|--------------------|----------|---------------------|---------------------|-------------|-------|
| Earth | Adequate | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

| Contents | # | Capacity | Type | Tank ID | SE GPS | |
|--------------------|---|----------|-----------|---------|--------|-------|
| CRUDE OIL | 1 | 300 BBLs | STEEL AST | | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |

Paint

| | | | | | |
|------------------|----------|--|--|--|--|
| Condition | Adequate | | | | |
| Other (Content) | | | | | |
| Other (Capacity) | | | | | |
| Other (Type) | | | | | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
|--------------------|----------|---------------------|---------------------|-------------|-------|
| Earth | Adequate | Walls Sufficient | | Adequate | |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Venting:

| | | | | | |
|--------------------|--|--|--|-------|------------|
| Yes/No | YES | | | | |
| Comment: | On inspection date, an audible gas leak was detected inside of VHT shed. Inspector's personal 4-gas meter indicated presence of H2S gas inside of shed. Operator's pumper was contacted on 12/20/2017 and informed of leak and H2S detection. Pumper informed COGCC that he would visit the location to address the leak on the same day (12/20/2017). | | | | |
| Corrective Action: | Contact COGCC_Engineering@state.co.us with resolution plan for potential H2S gas. | | | Date: | 01/12/2018 |

Flaring:

| | | | | | |
|--------------------|--|--|--|--|-------|
| Type | | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Inspected Facilities

Facility ID: 114378 Type: PIT API Number: - Status: AC Insp. Status: AC

Facility ID: 201942 Type: WELL API Number: 001-07346 Status: PR Insp. Status: PR

Environmental

Waste Management:

| Type | Management | Condition | GPS (Lat) (Long) | |
|-------------------|---|-----------|------------------|-------------|
| Oily Soil | Piles | Adequate | 39.830800 | -103.857502 |
| Comment | Two (2) stockpiles of oily waste on top of plastic liners are located on NW and NE sides of open skim pit excavation, see photos. See Spill/Remediation section for corrective actions. | | | |
| Corrective Action | | | | Date: |

Spill/Remediation:

| | | | |
|--------------------|--|-------|------------|
| Comment: | Plan to remediate and close former skim pit (facility ID #104647) is proceeding under approved Site Investigation and Remediation Workplan (project #10531). Operator's initial Form 27 does not include anticipated completion dates for approved workplan. | | |
| Corrective Action: | Provide remediation project status update--including anticipated completion date and date that oily waste stockpiles are to be disposed--to COGCC. | Date: | 01/12/2018 |

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: Evidence of sediment transport from produced water pit onto pasture land to west and south of pit, as indicated in previous FIRs.

Corrective Action: Immediately implement stormwater BMPs to prevent erosion, transport of sediment offsite, and site degradation, per Rule 1002.f. Refer to the 1002.f guidance document for further details.

Date: 08/17/2017

Pits: NO SURFACE INDICATION OF PIT

Type: Produced Water Lined: NO Pit ID: 114378 Lat: 39.830469 Long: -103.857055

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

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Corrective Action

Date: c

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: Trace amounts (<1%) of free-phase hydrocarbons observed on pit. See photos. Operator shall continue to remove accumulations of free product from pit as routine maintenance.

Corrective Action

Date: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Corrective Action

Date: _____

Anchor Trench Present: _____ Oil Accumulation: _____ 2+ feet Freeboard: _____

Comment: Pit did not demonstrably contain 2' of freeboard. No method of monitoring and maintaining freeboard was observed during inspection. Operator has been instructed to install freeboard monitoring method in previous FIRs.

Corrective Action

Immediately install method of monitoring and maintaining at least 2' of freeboard, per Rule 902.b.

Date: 08/14/2017

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------------------|---|
| 681700971 | December 19 2017 Field Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4333449 |