

**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:

02/07/2018

Submitted Date:

02/10/2018

Document Number:

688301146**FIELD INSPECTION FORM**Loc ID 317081 Inspector Name: Sherman, Susan On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10548Name of Operator: HRM RESOURCES II LLCAddress: 410 17TH STREET #1600City: DENVER State: CO Zip: 80202**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**9 Number of Comments1 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

| Contact Name | Phone | Email | Comment |
|------------------|----------------|-----------------------|---------------|
| Pape, Terry | (970) 768-5700 | tpape@hrmres.com | VP Operations |
| Payne, Gina | | gpayne@hrmres.com | |
| Young, Rob | | rob.young@state.co.us | COGCC EPS |
| Hutson, L. Roger | (303) 893-6621 | lrhutson@hrmres.com | President |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 235971 | WELL | PR | 09/01/2017 | OW | 121-08461 | MARICK 1-A | PR |

General Comment:

LocationOverall Good: ☒

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Overall Good: ☐**Spills:**

| Type | Area | Volume | | |
|--------------------|--|-----------|--|------------------|
| PW/CO | Tank | >= 5 bbls | | |
| Comment: | On 2/5/2018 a spill of crude oil and produced water from treater equipment failure that caused tank to overtop going into berms and the wind blew some oil outside of berms. According to operator, ~300 BBLs were sucked up by E3's vac truck and cleanup was underway at time of inspection to steam clean tanks. A pile of oily stained soil was on SE side of location from scraping areas outside and inside of berms. Free oil was also observed on the first produced water pit. A vac truck will be brought in to remove free fluids remaining in berms from steam cleaning and free oil from pit within 24 hours per operator. A Form 19 is in process. Confirmation samples were collected on 2/9/2018. See attached photos. | | | |
| Corrective Action: | Control and contain spills/releases and clean up per Rule 906.a. Contact COGCC EPS staff. Remove free fluids and contact COGCC EPS staff per Rule 906.b. Verify that landowner was contacted. | | | Date: 02/13/2018 |

In Containment: No

Comment:

See above comment for details on containment of spill.
Soil type at the location is a Rago silt loam. Location is in the Northern High Plains Designated Basin. There are 2 DWR wells ~1/4 miles from the location (west and SE) with RN#s 9057641, 9051554. Three other DWR wells are within a mile of the location, RN#s 210185, 316482, 9058084/3.

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

| | | | |
|--------------------|-----|--|-----------------|
| Type: FWKO | # 2 | | corrective date |
| Comment: | | | |
| Corrective Action: | | | Date: |

Tanks and Berms:

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

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------|----------|---------------------|---------------------|-------------|
| Earth | Adequate | Walls Sufficient | Base Sufficient | Adequate |

| | | | | | | | |
|--------------------|----------|--------------------------|---------------------|-------------|--------|-------|--|
| Comment: | | | | | | | |
| Corrective Action: | | | | | | Date: | |
| Contents | # | Capacity | Type | Tank ID | SE GPS | | |
| PRODUCED WATER | 2 | 400 BBLS | STEEL 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 | | | |
| | | | | | | | |
| Comment: | | same berms for all tanks | | | | | |
| Corrective Action: | | | | | | Date: | |
| Contents | # | Capacity | Type | Tank ID | SE GPS | | |
| CRUDE OIL | 2 | 400 BBLS | STEEL 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 | | | |
| | | | | | | | |
| Comment: | | same berms for all tanks | | | | | |
| Corrective Action: | | | | | | Date: | |
| <u>Venting:</u> | | | | | | | |
| Yes/No | | | | | | | |
| Comment: | | | | | | | |
| Corrective Action: | | | | | | Date: | |
| <u>Flaring:</u> | | | | | | | |
| Type | | | | | | | |
| Comment: | | | | | | | |
| Corrective Action: | | | | | | Date: | |

Inspected Facilities

Facility ID: 235971 Type: WELL API Number: 121-08461 Status: PR Insp. Status: PR

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____

Comment: Shut In during spill cleanup.

Corrective Action: _____ Date: _____

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

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

Land Use: _____

Comment: dryland**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: _____

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

Comment: Corrective Action: Date: **Pits:** ☐ NO SURFACE INDICATION OF PITType: Produced WaterLined: NOPit ID: Lat: Long: Reference Point: Other: Length: Width: **Lining:**Liner Type: Liner Condition: Comment: Corrective Action: Date: c**Fencing:**Fencing Type: NoneFencing Condition: Comment: Corrective Action: Date: **Netting:**Netting Type: Netting Condition: Comment: Corrective Action: Date: Anchor Trench Present: Oil Accumulation: YES2+ feet Freeboard: YESComment: See corrective action on spill section of inspection for operator to remove free oil from pit within 24 hours of inspection.Corrective Action: Date: **Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|----------------------|---|
| 688301168 | HRM Marick 1-A Spill | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4377332 |