

**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:

03/26/2018

Submitted Date:

04/04/2018

Document Number:

689800991**FIELD INSPECTION FORM**Loc ID 324758 Inspector Name: Waldron, Emily On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 5057 KELLER SPRINGS RD STE 650City: ADDISON State: TX Zip: 75001**Status Summary:**

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

Findings:6 Number of Comments4 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

| Contact Name | Phone | Email | Comment |
|---------------|-------|----------------------------------|---------|
| Grant, | | regulatory@foundationenergy.com | |
| | | dnr_cogccengineering@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 |
|-------------|------|--------|-------------|------------|-----------|-------------------------|-------------|
| 412663 | WELL | SI | 10/01/2017 | OW | 057-06492 | FEDERAL COALMONT 23-12R | SI |

General Comment:

Routine FIU inspection.

LocationOverall Good: ☒

| | | | |
|----------------------|---|-------|------------|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Sign or label not posted or information inaccurate on tanks or containers. Two tank content labels have blown off. | | |
| Corrective Action: | Install sign to comply with Rule 210.d. | Date: | 05/17/2017 |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | CONTAINERS | | |
| Comment: | Sign or label not posted or information inaccurate on tanks or containers. Unlabeled container at wellhead. | | |
| Corrective Action: | Install sign to comply with Rule 210.d. | Date: | 05/17/2017 |

Emergency Contact Number:

Comment: 1-866-767-3600

Corrective Action:

Date: _____

Overall Good: ☒

| | | | | |
|----------------|------|--------|--|--|
| Spills: | | | | |
| Type | Area | Volume | | |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

| | | | |
|--------------------|--------------|-------|--|
| Fencing/: | | | |
| Type | PUMP JACK | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | SEPARATOR | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

| | | | |
|-------------------|-----|--|-----------------|
| Equipment: | | | corrective date |
| Type: Pump Jack | # 1 | | |

| | | | |
|-------------------------------|-----|-------|--|
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Deadman # & Marked | # 4 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Vertical Heater Treater | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| | | | | | | |
|--------------------|---|----------|-----------|---------|-----------------------|-------|
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| PRODUCED WATER | 2 | 300 BBLS | STEEL AST | | 40.561290,-106.460660 | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |

Paint

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

Berms

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

| | | | | | | |
|--------------------|---|----------|-----------|---------|--------|-------|
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| CRUDE OIL | 2 | 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 | | | Adequate |
| Comment: | | | | |
| Corrective Action: | | | | |
| Date: | | | | |

Inspected FacilitiesFacility ID: 412663 Type: WELL API Number: 057-06492 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: No current MIT on record or delinquent as required by Rule 326.
Well has been shut-in since January 2016.

Corrective Action: Contact dnr_cogccengineering@state.co.us with resolution plan.Date: 04/16/2018

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: Unlabeled container stored at wellhead with no secondary containment.
No apparent soil migration; erosion or soil movement.

Corrective Action: Install or repair required BMPs per Rule 1002.f.

Date: 06/24/2016

Pits: ☐ NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 401596740 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4424479 |
| 689800992 | Inspection Photo | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4424467 |