

**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:

11/27/2018

Submitted Date:

11/27/2018

Document Number:

682504209**FIELD INSPECTION FORM**
 Loc ID 458288 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num:
Operator Information:OGCC Operator Number: 10032Name of Operator: H & M PETROLEUM CORPORATIONAddress: PO BOX 2487City: COLORADO State: CO Zip: 80901**Status Summary:**

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

Findings:9 Number of Comments2 Number of Corrective Actions☒ Corrective Action Response Requested**ANY CORRECTIVE ACTION(S) FROM
PREVIOUS INSPECTIONS THAT HAVE NOT
BEEN ADDRESSED ARE STILL APPLICABLE****Contact Information:**

| Contact Name | Phone | Email | Comment |
|---------------|-------|--------------------------|-------------------------------------|
| | | tom@tomsfoodpride.net | |
| | | dick.shanor@gmail.com | |
| | | susanatksa@aol.com | |
| Freese, Steve | | steve.freese@state.co.us | All SLB Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 458364 | WELL | DG | 11/23/2018 | | 075-09430 | State BDB 1 | DG |

General Comment:

This is a follow-up inspection to doc. #682504101. Drilling activities currently in process. inspection. Any corrective action(s) from previous inspections that have not been addressed are still applicable.

LocationOverall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|--|------------------|
| Type | STORAGE OF SUPL | | |
| Comment: | It was observed that various materials (such as barrels and buckets) have not been properly stored in accordance with good housekeeping or 1002.f(2).A,B; Materials observed were either stored directly upon topsoil, or were stored in an insufficient manner. See photos 21, 22, 29, 30. | | |
| Corrective Action: | Properly store materials in accordance with good housekeeping and proper materials management. | | Date: 11/30/2018 |

Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

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: 458288 CDP: _____

Comment: Inspection #682504101 documented that operator did not intend to salvage topsoil from location. Operator stated that "~3 feet of soil will be placed on the location to build up the pad" due to underground electric lines. See inspection for additional details. Operator was required to submit a reclamation plan and a 502.b variance request by 11/23/2018. Operator did not salvage topsoil from location in accordance with 1002.b, and the variance request and reclamation plan have not been submitted. This corrective action and date remains applicable.

Corrective Action: Submit a reclamation plan for the pad and disturbed areas parallel to oil and gas access road, and a 502.b variance request to waive requirements to COGCC Rule 1002.b. Once the sundry has been submitted, provide notice to NE Reclamation Specialist Aaron Trujillo (Aaron.trujillo@state.co.us) with the document number.

Date: 11/23/2018**Form 2A COAs:****Comment:** _____**Corrective Action:** _____**Date:** _____**Wildlife BMPs:****Comment:** _____**Corrective Action:** _____**Date:** _____

Comment: Inspection 682504101 notified operator to ensure perimeter stormwater and erosion control BMPs are installed prior to construction activities of the pad in accordance with 1002.f. Stormwater and erosion control BMPs have not been installed on location; Operator has failed to implement required stormwater and erosion control BMPs

Corrective Action: Install required stormwater and erosion control BMPs in accordance to Rule 1002.f. A corrective action date of 11/08/2018 is being provided as this is the date construction began on the location.

Date: 11/08/2018**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:

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

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

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____ Fail _____

Comment _____

Soil appears to have been excavated from the drill pit, however, topsoil and the subsoil horizons do not appear to have been separated and stored or marked/documentated in accordance with 1002.b.

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Fail _____

Comment _____

Operator appears to be storing equipment/vehicles beyond areas of the constructed pad to the north. See photos 2, 4-6. Operator also appears to be operating equipment/vehicles on areas off of the location to the east; It appears that areas of the adjacent lands are being used as a turn-around area. See photos 7-8. This is not compliant with 1002.e surface disturbance minimization.

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: RANGELAND

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 ☐

COGCC Comments

| Comment | User | Date |
|--|------------|------------|
| Operator stated that ~3 feet of soil was to be brought on the location to build up the pad and location. It does not appear as though 3 feet of soil was brought on the location; it does not appear as though location was elevated 3 feet above grade as indicated by the operator. | trujilloam | 11/27/2018 |
| Operator stated that due to underground power-lines, soil salvage in accordance with 1002.b was not going to be conducted. Operator also stated that an agreement existed with the state to not salvage soil. After conversations internally with the COGCC, and with the State Land Board (SLB), it has since been learned that no such agreement existed prior to construction activities and inspection #682504101. | trujilloam | 11/27/2018 |
| Additionally, it was indicated that the buried power lines travel under the location and pad; Based on locate flags on site, lines appear to run north/south parallel to the access road (~10-15 feet to the east), where it crosses a small corner of the northwest section of the pad, then travels southwest under the access road towards the windmill. See photos 32-37. | | |
| It is unclear to the State as to why soil salvage could not have been conducted (in accordance with 1002.b) on the majority of the location. | | |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 682504210 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4656857 |