

**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:

04/02/2019

Submitted Date:

04/05/2019

Document Number:

682504700

FIELD INSPECTION FORM
 Loc ID 458288 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num:
Operator Information:

OGCC Operator Number: 10032

Name of Operator: H & M PETROLEUM CORPORATION

Address: PO BOX 467

City: SIDNEY State: NE Zip: 69162

Status Summary:

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

Findings:

16 Number of Comments

8 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
,		dnr_cogccenforcement@state.co.us	
		dick.shanor@gmail.com	
		denise.arthur@state.co.us	
		steve.freese@state.co.us	
		tom@tomsfoodpride.net	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
458288	LOCATION	AC			-	State BDB 1 Pad	RI
458364	WELL	DG	11/23/2018		075-09430	State BDB 1	RI

General Comment:

This is a follow-up inspection to doc. #682504101, doc. #682504209 and doc. #682504523.

This inspection is to document compliance concerns regarding the following ongoing issues, and corrective actions:

210: incomplete signage

906.d(1): Insufficient secondary containment.

1002.b: Topsoil/soil salvage and segregation.

1002.c: Protection of soils

1002.e: Surface disturbance minimization.

1002.f: Install required stormwater and erosion control BMPs

1002.f(B) / 603.f: Proper materials management.

Portions of this inspection is being entered for notification and documentation only and is not intended to provide the Operator the potential opportunity to resolve the alleged violation(s) without the imposition of penalty, pursuant to Rule 522.c., therefore some of the corrective actions have no corrective action dates. Operator is advised to immediately address all corrective actions.

Please refer to the "Location", "Reclamation" and "Stormwater" sections of this inspection report, as well as the documents attached.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

LocationOverall Good: ☐**Signs/Marker:**

Type	WELLHEAD		
Comment:	Previous inspection documented incomplete signage at the well and required operator to comply with Rule 210.b(1). Operator has installed/updated signage at well.		
Corrective Action:		Date:	
Type	BATTERY		
Comment:	Previous inspection documented incomplete signage at the tank battery on the north end of the location and required operator to comply with Rule 210.b(2). Operator has installed/updated signage at battery.		
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:	Previous inspection documented incomplete signage on the red tank on the northeast end of the locaiton. Operator has placed a sign at the tank with insufficient information (only states "Water"). No other signage/labels/placards on tank. Inspector met with H&M Pumper Mr. Bob Schoopman on the locaiton on 4/2/2019. Mr. Schoopman stated that the tank contained produced water and showed the "hauling receipts" for the contents. Operator has failed to comply with 210.d. See photo #16. Corrective action remains applicable.		
Corrective Action:	Comply with Rule 210.d	Date:	

Emergency Contact Number:

Comment:		
Corrective Action:		Date: _____

Good Housekeeping:

Type	STORAGE OF SUPL		
Comment:	Inspection #682504209 and #682504523 documented various materials (barrels, buckets) insufficiently stored in accordance with good housekeeping and 1002.f(2).B. Materials, containers, etc.. appear to have been removed from the location. This corrective action has been addressed.		
Corrective Action:		Date:	

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Tanks and Berms:**

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1		STEEL AST		,
Comment:					

Corrective Action:					Date:	
Paint						
Condition						
Other (Content)						
Other (Capacity)						
Other (Type)						
Berms						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
	Inadequate	Walls Insufficient	Base Insufficient	Inadequate		
Comment:	<p>Previous inspection documented missing secondary containment at the red tank on the northeast end of the locaiton. Tank contents "Produced Water" and is subject to 906.d(1).</p> <p>Produced water tank remains without secondary containment. Operator has failed to comply with 906.d(1).</p> <p>Additionally, there is contaminated soils due to discharge from the tank outlet. This is a stormwater pollutant source and needs to be addressed in accordance with 1002.f(2). See photo #17.</p>					
Corrective Action:	Remove contaminated soils and comply with 906.d(1)					Date:
Contents	#	Capacity	Type	Tank ID	SE GPS	
CRUDE OIL	2	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	Inadequate					
Comment:	<p>Previous inspection documented that berms around battery does not appear to be sufficient in accordance with 906.d(1) and required operator to submit calculations and figures showing secondary containment complies with rule 906.d(1).</p> <p>Operator submitted Form 4 sundry doc. #401960781 with documentation and calculations showing secondary containment does not comply with 906.d(1) and is insufficient.</p> <p>Secondary containment is unchanged and insufficient. Operator has not installed secondary containment to comply with 906.d(1).</p>					
Corrective Action:	Comply with Rule 906.d(1)					Date:
Venting:						
Yes/No						
Comment:						
Corrective Action:						Date:
Flaring:						
Type						

Comment:			
Corrective Action:		Date:	

Inspected Facilities									
Facility ID:	458288	Type:	LOCATION	API Number: -	Status:	AC	Insp. Status:	RI	
Facility ID:	458364	Type:	WELL	API Number:	075-09430	Status:	DG	Insp. Status:	RI

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 _____

Corrective Action

Inspection #682504209 documented that soil was excavated from the drill pit, however, topsoil and the subsoil horizons were not separated and stored or marked/documentated in accordance with Rule 1002.b.

Date _____

1002c. PROTECTION OF SOILS _____ Fail

Comment _____

Corrective Action

COGCC Rule 1002.c requires that "all stockpiled soils shall be protected from degradation due to contamination, compaction and, to the extent practicable, from wind and water erosion during drilling and production operations". Soil stockpile remains loose, unstabilized material and stormwater erosion degradation is evident.

Date _____

Operator has failed to install BMPs to sufficiently stabilize the soil stockpile in accordance with 1002.c

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Fail

Comment

1002.e requires that access roads to be located, adequately sized, constructed, and maintained so as to reasonably control dust and minimize erosion, alteration of natural features, removal of surface materials, and degradation due to contamination. 1002.e(4) requires that vehicles not travel outside of the original access road boundary.

Access road has not been adequately constructed. In addition Operator has travelled beyond the designated access road onto adjacent lands creating additional 1/3 mile disturbance, see photos 21-28. Operator has also created/disturbed an additional section of access road traveling to the Highball 1 location, rather than restricting travel to the pre-existing access road, see photos 21-22.

Corrective Action

Comply with 1002.e and restrict vehicle use to the access road in order to mitigate additional unnecessary disturbances and alteration of natural features. Install BMPs to stop further disturbance and to ensure existing access road remains in proper functioning condition.

Date **04/02/2019**

Operator will be required to reclaim areas of off-road disturbances in accordance with COGCC 1000 series reclamation rules

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 **Previous inspection documented operator storing oil and gas associated equipment and drill rig within crop field north of the location, and required operator to submit a pre-existing surface owner agreement to allow O&G equipment to be stored off a permitted O&G location.**

Operator submitted Form 4 #401970607 with surface owner agreement. It is noted that the agreement is dated 3/2/2019, after the corrective action inspection and does not appear to be pre-existing.

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:

Previous inspection required operator to submit a 3rd party cost estimate by 3/12/2019. An extension has been provided to the operator to submit cost estimate by 4/8/2019.

Date **04/08/2019**

See inspection #682504523, the "H&M Topsoil Violation" and sundry doc. #401985889 for additional details. This corrective action remains applicable.

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
		Other	Fail			Access road (see 1002.e)
				Material Handling And Spill Prevention	Pass	see "good housekeeping"
Waddles	Fail					Straw wattles/Erosion logs

Comment: **SEE "COGCC COMMENTS" FOR COMMENTS REGARDING STORMWATER**

Corrective Action:

Install required stormwater and erosion control BMPs in accordance to Rule 1002.f and in accordance with good engineering practices.

Date: 11/08/2018

Pits: ☐ NO SURFACE INDICATION OF PITType: Drilling PitLined: YES

Pit ID: _____

Lat: _____

Long: _____

Reference Point: _____

Other: _____

Length: _____

Width: _____

Lining:Liner Type: PlasticLiner Condition: Inadequate

Comment:

Plastic liner within drilling pit not in proper functioning condition. Ensure pit is sampled and complies with Table 910-1 standards in accordance with 1003.d(1). See photos 29-32

Corrective Action

Date: _____

Fencing:

Fencing Type: _____

Fencing Condition: _____

Comment: _____

Corrective Action

Date: _____

Netting:

Netting Type: _____

Netting Condition: _____

Comment: _____

Corrective Action

Date: _____

Anchor Trench Present: _____

Oil Accumulation: _____

2+ feet Freeboard: _____

Comment:		Date:
Corrective Action		

COGCC Comments

Comment	User	Date
<p>STORMWATER COMMENT</p> <p>Inspection #682504101 dated 11/08/2018 notified operator to ensure perimeter stormwater and erosion control BMPs are installed prior to construction activities of the pad in accordance with 1002.f. Inspection #682504209 dated 11/27/2018 documented that sufficient stormwater and erosion control BMPs were not been implemented on location and required Operator to install the required stormwater and erosion control BMPs in accordance with 1002.f.</p> <p>Inspection 682504523 documented that Operator has not installed stormwater controls in accordance with good engineering practices; Operator implemented erosion logs/straw wattles on location, however they area improperly installed.</p> <p>BMPs remain improperly installed in accordance with good engineering practices and insufficient in accordance with 1002.f.</p> <p>Operator only placed/staked the erosion logs upon the surface of the soil; BMPs have not been trenched and back-filled in accordance with good engineering practices and are not in proper functioning condition in accordance with 1002.f(2). This corrective action and date remains applicable.</p> <p>In addition, no BMPs have been installed on the west end of the location.</p>	trujilloam	04/03/2019
<p>Previous inspections documented that Operator stored equipment/vehicles on the surface/topsoil, beyond areas of the constructed pad to the north. Inspection also documented that Operator appeared to have driven equipment/vehicles off of the location to the north and east. This is not compliant with 1002.e surface disturbance minimization and these disturbed areas will need to be included in future reclamation.</p> <p>In addition, operator has failed to stabilize the soils imported onto the location, and failed to import a sufficient amount of material to sufficiently protect the topsoil below.</p>	trujilloam	04/03/2019

Attached Documents

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

Document Num	Description	URL
682504712	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4786902