

**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:

04/09/2019

Submitted Date:

04/10/2019

Document Number:

682504721**FIELD INSPECTION FORM**

| | | | | |
|--|------------------------------------|---|-------------------|--|
| Loc ID 458288 | Inspector Name: Trujillo, Aaron | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ | Status Summary: <input checked="" type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED Findings: 5 Number of Comments 2 Number of Corrective Actions <input checked="" type="checkbox"/> Corrective Action Response Requested |
| Operator Information: OGCC Operator Number: <u>10032</u> Name of Operator: <u>H & M PETROLEUM CORPORATION</u> Address: <u>PO BOX 467</u> City: <u>SIDNEY</u> State: <u>NE</u> Zip: <u>69162</u> | | | | ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE |

| Contact Information: | | | |
|-----------------------------|-------|-----------------------|---------|
| Contact Name | Phone | Email | Comment |
| | | dick.shanor@gmail.com | |

| 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 | RI |

General Comment:

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

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

1002.c: Protection of soils
 906.d(1): Secondary Containment
 210: signage at tank

This inspection is also to provide notice and a path forward for H&M Petroleum regarding topsoil violations. Please see the document titled "H&M Topsoil Violation Letter" attached at the end of this report for information and instructions. 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" section 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 BATTERY

Comment: Operator has updated sign at tank identifying contents as produced water. Tank still missing required labeling in accordance with 210.d.

This corrective action remains applicable.

Corrective Action: Comply with Rule 210.d

Date:

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Overall Good: ☐**Spills:**

Type Area Volume

In Containment: No

Comment:

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

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--|---|----------|-----------|---------|--------|
| PRODUCED WATER | 1 | | STEEL AST | | , |
| Comment: Identified as produced water. Capacity labeling has not been installed. | | | | | |
| Corrective Action: | | | | | Date: |

Paint

Condition

Other (Content)

Other (Capacity)

Other (Type)

Berms

| | | | | | |
|--------------------|--|---------------------|---------------------|-------------|--------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| Earth | Adequate | Walls Sufficent | Base Sufficient | Adequate | |
| Comment: | At time of inspection (~13:44 hours), inspector observed that contractor on site was utilizing the soil stockpile salvaged from the pit, as material for the berms around the tank. Inspector discussed concerns regarding 1002.c with Mr. Dick Shanor who was also on location at time. At approximately 14:22 hours Mr. Dick Shanor called and left a message with inspector providing notice that the soils were replaced and additional material was imported to construct the berm. Inspector returned to location later in the afternoon and documented that the sols were returned to the stockpile and that the berms constructed and in proper functioning condition. This addresses the corrective action requiring secondary containment. | | | | |
| Corrective Action: | Corrective action requiring the removal of contaminated soils remains applicable. | | | | 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 | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Comment: | Previous inspections documented that the secondary containment at the tank battery was insufficient. Operator has expanded the containment area and increased the height of the berms around the battery. BMPs appear to be sufficient. This corrective action has been addressed. | | | |
| Corrective Action: | | | Date: | |

Venting:

| | | |
|--------------------|--|-------|
| Yes/No | | |
| Comment: | | |
| Corrective Action: | | Date: |

Flaring:

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

Inspected FacilitiesFacility ID: 458364 Type: WELL API Number: 075-09430 Status: DG Insp. Status: RI**Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|----------------------|---|
| 402003361 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4790642 |
| 682504722 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4790638 |