

**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:

03/02/2020

Submitted Date:

03/05/2020

Document Number:

696201067**FIELD INSPECTION FORM**Loc ID 436835 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10433Name of Operator: LARAMIE ENERGY LLCAddress: 1401 SEVENTEENTH STREET #1401City: DENVER State: CO Zip: 80202**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**22 Number of Comments4 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
,		cogccnotifications@laramie-energy.com	All inspections
Arthur, Denise		denise.arthur@state.co.us	
Arauza, Steven		steven.arauza@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
436835	LOCATION	AC			-	Homer Deep Unit 7-23	RI
440891	WELL	WO	04/03/2015	LO	045-22809	Homer Deep Unit 7-23DH	RI
440892	WELL	PR	07/01/2017	GW	045-22810	Homer Deep Unit 7-23BH	RI
440893	WELL	WO	04/02/2015	LO	045-22811	Homer Deep Unit 7-23CH	RI

General Comment:

On 3/2/2020, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection on Laramie Energy LLC's Homer Deep Unit /7-23I in Garfield County, Colorado.

This inspection is to document compliance for the following corrective actions from inspection #698100016:
907.e: Remove and properly dispose of oily waste observed outside the NE corner of tank battery containment.
603.f: Lock out/tag out and remove risers.
605.d: Ensure good mechanical condition.
COAs: Submit supplemental 19

It was documented that 3 of the 4 corrective actions from inspection #698100016 appear to have been addressed:
-Oily waste outside tank battery containment appears to have been removed
-Supplemental 19 #402090329 submitted 6/27/2019
-Mechanical conditions of equipment appear to be sufficient.
-Riser documented on the NE of the separators has not been removed per corrective actions. This corrective action remains applicable.

The following alleged compliance issues were observed during this inspection:
1003.a: Interim reclamation- No continuous or ongoing operations occurring at site. Interim reclamation of the Location overdue.
1002.f: Stormwater BMPs on Location inadequate or have not been installed in accordance with good engineering practices; erosion degradation observed.
603.f: Unused equipment/pipe/risers observed on Location and requires removal

Refer to the "Location", "Environmental", "Reclamation", "Stormwater", and "COGCC Comments" section of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

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

A follow up on this site inspection will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

LocationOverall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Overall Good: ☐**Spills:**

Type	Area	Volume

In Containment: No

Comment:

Inspection #698100016 observed Localized accumulation of oil-stained soil outside NE corner of tank battery containment area. Inspection required Operator to remove and properly dispose of oily waste per Rule 907.e.

It was observed in this inspection that oily waste appears to have been removed per corrective actions.

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

corrective date

Type: Flow Line

1

Comment:

Inspection #698100016 observed unmarked flowline risers throughout the Location and required Operator to comply with Rule 603.f.

It was observed in this inspection that riser documented on the NE end of the separators has not been removed per the corrective action (See photo #8 in doc. #698100017, and photo 36 in the attached photo document). This corrective action remains applicable until addressed in its entirety.

Corrective Action:

Comply with Rule 603.f. Lock out/tag out unused, unmarked flowline risers within 24 hours and remove unused risers within 30 days.

Date: 07/12/2019

Type: Other

9

Comment:

9 various unused risers were observed throughout the Location; 4 observed in the adjacent areas of the wells (See photos 42, 43, 46 and 47); 5 observed north of the solar panels (See photos 57). Cap on one riser is degrading, exposing pipe and needs maintenance (photo 58).

Risers appear to be unused equipment and would require removal, however previous inspections documented risers and indicated they have been "noted for future use" (FIR 693200218). Unable to find documentation or records of the intended "future use". Operator will be required to submit documentation with details regarding need for the observed risers.

Corrective Action:

Corrective action has two parts:

1) Conduct maintenance to ensure risers have been properly locked-out/covered to ensure wildlife protections.

2) Submit documentation attached to a Form 4 identifying the use of the unused equipment/risers observed on the Location.

Date: 04/05/2020**Tanks and Berms:**

Contents	#	Capacity	Type	Tank ID	SE GPS
OTHER	1	300 BBLs	STEEL AST		39.371801,-108.369835

Comment: "Sand tank".

Corrective Action:

Date:

Paint

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate	
Comment: Lined, metal secondary containment. Tank labeled per rules					
Corrective Action:				Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS
CRUDE OIL	2	400 BBLs	STEEL AST		39.372629,-108.369428
Comment: Inspection No. 698100016 required Operator to ensure good mechanical condition of the tanks. No issues observed. Tanks labeled per rules. Tanks appear in good mechanical condition at time of inspection.					
Corrective Action:				Date:	

Paint

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate	
Comment: Lined, metal secondary containment shared by produced water ASTs. Fluids observed within containment snow melt.					
Corrective Action:				Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	2	400 BBLs	STEEL AST		39.372629,-108.369428
Comment: No issues observed. Tanks labeled per rules.					
Corrective Action:				Date:	

Paint

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate
Comment: Lined, metal secondary containment shared by crude oil ASTs				
Corrective Action:				Date:

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities

Facility ID: <u>436835</u>	Type: <u>LOCATION</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>RI</u>
Facility ID: <u>440891</u>	Type: <u>WELL</u>	API Number: <u>045-22809</u>	Status: <u>WO</u>	Insp. Status: <u>RI</u>
Facility ID: <u>440892</u>	Type: <u>WELL</u>	API Number: <u>045-22810</u>	Status: <u>PR</u>	Insp. Status: <u>RI</u>
Facility ID: <u>440893</u>	Type: <u>WELL</u>	API Number: <u>045-22811</u>	Status: <u>WO</u>	Insp. Status: <u>RI</u>

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 No fencing on location.

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? Fail Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? Fail

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? Fail

Production areas have been stabilized? _____ Segregated soils have been replaced? Fail

RESTORATION AND REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced Fail Recontoured Fail 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 **Form 2A #400820779 states size of Location post interim reclamation to be 2.67 acres. The current production area is 4.5 acres in size. Total disturbance of the Location approximately 6.32 acres.**

This Location does not meet 1003 reclamation requirements. Wells SPUD 2015. No current, continuous and/or ongoing operations are occurring on the Location; Last records of operations dated 7/2017 (Completion report #401397379). Operator has not submitted or received an approved variance for delayed operations per the NTO. Per Rule 1003.b interim reclamation of the Location is overdue and required.

Corrective Action **Two corrective actions are being applied:**

Date **01/17/2018**

1) Comply with Rule 1003 and conduct interim reclamation on areas of the pad not needed for production. Reclamation activities, including but not limited to, compaction alleviation, recontouring, regrading and revegetation is required in accordance with Ruled 1003.b, 1003.c and 1003.e. Rules require Interim reclamation no later than 6 months post operations; A corrective action date of 1/17/2018 is being applied as this was the date reclamation was required based on operation records on file.

2) Operator is required to submit (attached to a form 4) a figure showing areas to be reclaimed during interim reclamation activities. Figure(s) shall be submitted by 3/19/2020.

Overall Interim Reclamation Fail

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 ☐**Storm Water:**

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
				Material Handling And Spill Prevention	Pass	Methanol Tanks
Ditches	Fail					Ditch filled on N end of Location. Photos 35-37
Culverts	Fail					@ Access road-Inlet/outlet protection
Culverts	Fail					S of access road on Location. Photos 9-10
Waddles	In Process					Wattles @ Location Perimeter
Sediment Traps	Fail					Trap @ NE corner
				Material Handling And Spill Prevention	Pass	500 gal SAE 40 Tanks
Other	In Process					Hay bale, N perimeter of Location

Comment: [See "COGCC Comments" for comments regarding stormwater BMPs on Location.](#)Corrective Action: [Install or repair required BMPs per Rule 1002.f, and in accordance with good engineering practices.](#)

Date: 04/30/2020

Pits: ☐ NO SURFACE INDICATION OF PIT**COGCC Comments**

Comment	User	Date
<p>Stormwater Comments</p> <p>It was observed that the stormwater diversion ditch on the northeast end of the pad has not been installed in accordance with good engineering practices; A berm/dam has been constructed within the ditch forcing stormwater to pond rather than properly discharge into the sediment trap on the NE end of the Location. See photos 35-37 in the attached photo document.</p> <p>It was observed that the sediment trap on the NE end of the Location has not been constructed with good engineering practices; BMP has not been constructed with either sufficient inlet protection, outlet protection, or both, to allow for sediment laden-free stormwater discharge from the Location. Additionally, it was also observed that a culvert has been constructed from/to the sediment trap, under the access road and to/from the adjacent lands south/southwest of the Location. Based on the topography observed, it would appear as though water from the adjacent lands would travel through the culvert and into the sediment trap; Culvert inlets also have not been protected/armored in accordance with good engineering practices to allow for sediment laden-free stormwater discharge. See photos 2-5 in the attached photo document.</p> <p>It was observed that Operator has constructed a culvert on the east end of the Location (southwest from the entrance); BMP has not been constructed with sufficient inlet protection, outlet protection, or both, to allow for sediment laden-free stormwater discharge from the Location. Culvert currently discharges stormwater runoff from the pad directly onto the adjacent lands. See photos 9-10 in the attached photo document.</p> <p>It was observed that the slopes on the southwest end, the western corner of the Pad, and the soil stockpile on the northwest end of the Location have not been sufficiently stabilized; Erosion degradation evident. These issues will be addressed during interim reclamation activities, however temporary stabilization controls are required until reclamation is conducted. See photos 18-20, 28, 38-39.</p> <p>It was observed that the wattles and straw bales on the perimeter of the Location appear to remain intact but are showing signs of degradation; Maintenance advised. Ensure BMP remains in proper functioning condition. See photos 29, 33, 34.</p>	trujilloam	03/05/2020

Attached Documents

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

Document Num	Description	URL
696201068	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5086970