

**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:

05/26/2020

Submitted Date:

05/29/2020

Document Number:

696201325**FIELD INSPECTION FORM**Loc ID 324491 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 77330Name of Operator: SG INTERESTS I LTDAddress: 100 WAUGH DR SUITE 400City: HOUSTON State: TX Zip: 77007**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**10 Number of Comments3 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
,		inspection@sginterests.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
295674	WELL	PR	06/12/2012	GW	051-06085	FEDERAL 11-90-15 1	RI
324491	LOCATION	AC			-	Federal 11-90-15 1	RI
436817	WELL	PR	10/28/2017	GW	051-06129	Federal 11-90-15 3	RI

General Comment:

On 5/26/2020, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection for SG Interests' Federal 11-90-15 1 location in Gunnison County, Colorado.

The following compliance issues were observed during this inspection:

1003.b: Interim Reclamation of areas not needed for production

1002.f: Chemicals within containment

1200: Protection of Wildlife Resources

Refer to the "Related Facilities", "Reclamation" and "Stormwater" 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.

Location Construction

Location ID: 324491 CDP: _____

Comment: _____

Corrective Action: _____

Date: _____

Form 2A COAs:

Comment: _____

Corrective Action: _____

Date: _____

Wildlife BMPs:

Comment: _____

Corrective Action: _____

Date: _____

Comment: _____

Corrective
Action: _____

Date: _____

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:

Inspected Facilities

Facility ID: 295674	Type: WELL	API Number: 051-06085	Status: PR	Insp. Status: RI
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Producing Well

Comment: PR Well, IR and SW inspection.

Corrective Action:

Date:

Facility ID: 324491	Type: LOCATION	API Number: -	Status: AC	Insp. Status: RI
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Producing Well

Comment: PR Well, IR and SW inspection.

It was observed in this inspection that no BMPs to prevent wildlife access have been installed at well head cellar.

Corrective Action: Install BMPs to prevent wildlife access to cellar.

Date: 06/13/2020

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

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

Land Use: OTHER, RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ Fail _____

Comment [See "Interim Reclamation" 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 REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

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 See "COGCC COMMENTS" for comments regarding interim reclamation.

Corrective Action Comply with 1003 Rules and conduct interim reclamation on areas not need for production, and areas disturbed, including but not limited to recontouring/regrading, compaction alleviation, replacement of soils, etc...and establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of pre-disturbance or reference area levels. Ensure erosion controls are implemented to stabilize the seeded soils and slopes, and continue to monitor and manage this site until site has received a passing final inspection.

Date 07/15/2020

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: <input style="width: 95%;" type="text"/>	
Corrective Action: <input style="width: 95%;" type="text"/>	Date: <input style="width: 50%;" type="text"/>
Overall Final Reclamation <input type="checkbox"/>	Well Release on Active Location <input type="checkbox"/> Multi-Well Location <input type="checkbox"/>

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		Cellar @ 051-06129

Comment: Cellar at well #051-06129 has filled with fluid and requires maintenance.	
Corrective Action: Comply with Rule 1002.f and remove fluids/chemicals within containment.	Date: 06/13/2020

Pits: ☐ NO SURFACE INDICATION OF PIT

Type:	Lined:	Pit ID:	Lat:	Long:
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Reference Point: <input style="width: 95%;" type="text"/>	Other: <input style="width: 95%;" type="text"/>	Length: <input style="width: 95%;" type="text"/>	Width: <input style="width: 95%;" type="text"/>
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Lining:

Liner Type: <input style="width: 95%;" type="text"/>	Liner Condition: <input style="width: 95%;" type="text"/>
Comment: <input style="width: 95%;" type="text"/>	
Corrective Action: <input style="width: 95%;" type="text"/>	Date: <input style="width: 50%;" type="text"/>

Fencing:

Fencing Type: <input style="width: 95%;" type="text"/>	Fencing Condition: <input style="width: 95%;" type="text"/>
Comment: <input style="width: 95%;" type="text"/>	
Corrective: <input style="width: 95%;" type="text"/>	Date: <input style="width: 50%;" type="text"/>

Netting:

Netting Type: <input style="width: 95%;" type="text"/>	Netting Condition: <input style="width: 95%;" type="text"/>
Comment: <input style="width: 95%;" type="text"/>	
Corrective: <input style="width: 95%;" type="text"/>	Date: <input style="width: 50%;" type="text"/>

Anchor Trench Present: <input style="width: 95%;" type="text"/>	Oil Accumulation: <input style="width: 95%;" type="text"/>	2+ feet Freeboard: <input style="width: 95%;" type="text"/>
Comment: <input style="width: 95%;" type="text"/>		
Corrective: <input style="width: 95%;" type="text"/>		Date: <input style="width: 50%;" type="text"/>

COGCC Comments

Comment	User	Date
Operator contacted/notified Reclamation Specialist 6/1/2020 regarding equipment observed, and what appeared to be the flare identified in Doc. #400506249 on the Southeast corner of the Location. See photo 4 in the attached photo document. Operator states the Flare identified in Doc. #400506249 was used in drilling, but was not a permanent fixture on the Location; Equipment observed is a separator.	trujilloam	06/02/2020

RECLAMATION COMMENTS

trujilloam

05/28/2020

Records indicate 051-06085 was the last well to go into production: Date of 1st production 10/28/2017; Interim reclamation required by 4/28/2018. Remaining wells either producing or abandoned.

It was observed in this inspection that the Location does not meet 1003 interim reclamation requirements; Areas on the southwest and west ends of the pad do not appear needed for production Operations; Doc. #400506249 indicated that the flare was to be installed on the west end of the pad, flare appears to have been installed on the southeast corner of the Location. Areas on the north end of the Location do not meet reclamation requirements; gravel remains evident, vegetation is not achieving uniform establishment. It was also observed that Operator appears to be removing soils from slopes on the north end of the Location; This does not comport with 1002 Rules, and remaining soils on the slope have been left unstabilized in violation of Rule 1002.f.(2)C; Additional vehicle tracking/disturbances observed in these areas.

Attached Documents

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

Document Num	Description	URL
402409289	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5162487
696201326	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5162476