

**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:

06/19/2020

Submitted Date:

06/26/2020

Document Number:

698100151

FIELD INSPECTION FORMLoc ID 334470 Inspector Name: Arauza, Steven On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 10059

Name of Operator: PETRO MEX RESOURCES

Address: PO BOX 6724

City: FARMINGTON State: NM Zip: 87499-

Status Summary:

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

Findings:

12 Number of Comments

10 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
Wison, Linn	505 486 5557	linn_wilson@sisna.com	
Fischer, Alex		alex.fischer@state.co.us	
Toews, Wesley		wtoews@blm.gov	
Heil, John		john.heil@state.co.us	
Trujillo, Aaron		aaron.trujillo@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
113000	PIT	AC	09/23/1999		-	CORAL GULCH 15-9	AC
210261	WELL	PR	09/23/2014	GW	045-06017	COAL GULCH 15-9	EI
476598	SPILL OR RELEASE	AC	06/12/2020		-	Federal 15-9	EI

General Comment:

COGCC Environmental Inspection conducted with W. Toews of the BLM. Follow-up to Spill/Release ID #476598. Weather conditions during inspection were sunny with a temperature of 74 degrees Fahrenheit.

Operator's initial Spill Report (doc #402405395) describes a "production tank overflow due to dump valve failure" of an unknown volume of condensate into an unlined earthen berm resulting in impacts to the subsurface. Operator indicated BLM approval of their request to forego site investigation and clean-up until condensate in the tank was sold in mid-June. Operator's Supplemental Spill Report (doc #402409775) indicated plans to "excavate area mid to late June."

Observations made on inspection date indicate that no additional work had been completed to investigate impacts resulting from Spill/Release ID #476598 prior to 6/19/2020.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: **Good Housekeeping:**

Type	UNUSED EQUIPMENT		
Comment:	Metal scrap located outside of southeast corner of tank battery and unused pipe east of separator. See photos.		
Corrective Action:	Comply with Rule 603.f. for unused equipment		Date: 07/10/2020

Overall Good: ☐

Spills:				
Type	Area	Volume		
Other	WELLHEAD	<= 1 bbl		
Comment:	Localized accumulation of oil-stained soil at wellhead. See photos.			
Corrective Action:	Control and contain spills/releases and clean up per Rule 906.a.			Date: 07/26/2020
Produced Water	Truck Loadout	<= 1 bbl		
Comment:	PVC loadout pipe from open-top fiberglass PBV skim tank lacks secondary containment device and has the potential to discharge E&P waste into area outside of tank battery berm to west. See photos.			
Corrective Action:	Collect soil sample from area underlying PBV loadout and analyze per Rule 910.b.(3).D. Operator shall incorporate this analysis into the F27 required for assessment of Spill/Release ID #476598.			Date: 06/30/2020

In Containment: No

Comment: ☒ Multiple Spills and Releases?

Equipment:				corrective date
Type: Other		# 1		
Comment:	Localized accumulation of oil-stained soil at wellhead. See photos.			
Corrective Action:	Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.			Date: 07/10/2020

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS	
PRODUCED WATER	1	100 BBLS	PBV FIBERGLASS		,	
Comment:	Open-top fiberglass PBV skim tank located inside of former Pit Facility ID #113000. Tank lacks contents label and loadout device. See photos.					
Corrective Action:	Install sign to comply with Rule 210.d. (open-top PBV). Install loadout secondary containment device to prevent spills and releases of E&P Waste.				Date: 08/26/2020	

Paint

Condition	<input type="text"/>	
Other (Content)	<input type="text"/>	
Other (Capacity)	<input type="text"/>	
Other (Type)	<input type="text"/>	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate		Base Insufficient	Inadequate	
Comment:	Spill ID #476598: condensate released from tank overflow was not contained by the base of earthen berm, resulting in impacts to subsurface soil beneath condensate AST. Berm walls eroded. See photos.				
Corrective Action:	Repair or install berms or other secondary containment devices per Rule 605.a.(4). (open-top PBV)			Date:	08/26/2020
Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	1	300 BBLs	STEEL AST		,
Comment:	Condensate AST was source of condensate release documented under Spill ID #476598.				
Corrective Action:	Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d.			Date:	07/10/2020
Paint					
Condition					
Other (Content)					
Other (Capacity)					
Other (Type)					
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate		Base Insufficient	Inadequate	
Comment:	Spill ID #476598: condensate released from tank overflow was not contained by the base of earthen berm, resulting in impacts to subsurface soil beneath condensate AST. Berm walls eroded and base partially excavated on west side of condensate AST on inspection date. See photos.				
Corrective Action:	Repair or install berms or other secondary containment devices per Rule 605.a.(4). (condensate AST)			Date:	08/26/2020
Venting:					
Yes/No					
Comment:					
Corrective Action:					Date:
Flaring:					
Type					
Comment:					
Corrective Action:					Date:

Inspected FacilitiesFacility ID: 113000 Type: PIT API Number: - Status: AC Insp. Status: ACFacility ID: 210261 Type: WELL API Number: 045-06017 Status: PR Insp. Status: EIFacility ID: 476598 Type: SPILL OR API Number: - Status: AC Insp. Status: EI

Environmental**Spill/Remediation:**

Comment: Active Spill ID #476598: Operator provided status update via phone on 6/23/2020. Condensate has not been sold as of that date. It is highly suggested that the operator engage the services of an environmental professional.

Corrective Action: Per COA listed on doc #402405395, operator shall immediately submit an Initial eForm 27 Site Investigation and Remediation Workplan. Operator's eForm 27 shall include: remediation of impacts from Spill #476598, closure of Pit #113000, and assessment of areas outside of the secondary containment (produced water loadout area).

Date: 06/30/2020

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

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

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: Mud cracks along west side of tank battery indicative of stormwater pooling. Open-top AST loadout is plumbed to lead into this area and lacks secondary containment device to prevent release of E&P waste, resulting in the potential for E&P waste to impact soil and pooled stormwater throughout pad. See photos. Mud cracks at wellhead area indicate stormwater pooling at wellhead. Erosion feature south of separator indicates stormwater runoff area in southeast corner of pad.

Corrective Action: **Install or repair required BMPs per Rule 1002.f.(2)C**

Date: 07/10/2020

Pits: ☐ NO SURFACE INDICATION OF PIT

Type: Lined: Pit ID: 113000 Lat: 39.370307 Long: -108.666262

Reference Point: Other: Length: Width:

Lining:

Liner Type:

Liner Condition:

Comment: Doc #2542860 documents use of an unlined pit measuring 8'x8'x4' at the "Coral Gulch" 15-9 well pad. Petro Mex has confirmed over the phone that the fiberglass open-top PBV described in this field inspection report has been installed in the location of the former pit. Operator was required as a COA on doc #402405395 to submit an eForm 27 to document investigation and remediation plan for Spill #476598. Operator's eForm 27 shall include plans for investigation and remediation of impacts remaining for Pit ID #113000 and subsequent pit closure per Rule 905.

Corrective

Date:

Fencing:

Fencing Type:

Fencing Condition:

Comment:

Corrective

Date:

Netting:

Netting Type:

Netting Condition:

Comment:

Corrective

Date:

Anchor Trench Present:

Oil Accumulation:

2+ feet Freeboard:

Comment:

Corrective

Date:

Attached Documents

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

Document Num	Description	URL
402432563	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5185251
698100154	20200619 field photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5185250