

**FORM
INSP**Rev
X/20**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:

10/27/2021

Submitted Date:

10/28/2021

Document Number:

693505679

FIELD INSPECTION FORMLoc ID 332971 Inspector Name: Silver, Randy On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 46290

Name of Operator: KP KAUFFMAN COMPANY INC

Address: 1675 BROADWAY, STE 2800

City: DENVER State: CO Zip: 80202

Status Summary:

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

Findings:

15 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 |
|------------------|----------------|----------------------------------|------------------|
| Gintautas, Peter | | peter.gintautas@state.co.us | |
| Revas, Robbie | | robbie.revas@state.co.us | |
| Leonard, Mike | | mike.leonard@state.co.us | |
| Gomez, Jason | | jason.gomez@state.co.us | |
| Watzman, Ross | (303) 825-4822 | rwatzman@kpk.com | all inspections. |
| Pesicka, Conor | | conor.pesicka@state.co.us | |
| , | | dnr_cogccenforcement@state.co.us | |
| , | 303-825-4822 | cogcc@kpk.com | All Inspections |
| Adamczyk, Megan | | megan.adamczyk@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-------------------|-------------|
| 239987 | WELL | PR | 02/01/2021 | OW | 123-07775 | HLADKY-O'GORMAN 3 | SI |

General Comment:

Inspection due to complaint Doc #402851160

LocationOverall Good: ☒

| | | | |
|----------------------|---|-------|--|
| Signs/Marker: | | | |
| Type | BATTERY | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Sign not legible not installed properly laying on ground. | | |
| Corrective Action: | Install sign to comply with Rule 605.g. | Date: | |

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|-------|--|
| Type | OTHER | | |
| Comment: | Mechanical issue: Electric panel does not have meter installed | | |
| Corrective Action: | Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Not corrected will be considered unused equipment. | Date: | |
| Type | TRASH | | |
| Comment: | Trash on site See photos | | |
| Corrective Action: | Comply with rule 606 | Date: | |
| Type | OTHER | | |
| Comment: | Self-inspection, maintenance and good house keeping procedures and schedules. | | |
| Corrective Action: | Comply with COGCC rule 1002 F (2) D Provide COGCC with pocedure and maintenance documentation | Date: | |
| Type | OTHER | | |
| Comment: | Fencing When conducting Remediation activities, Operators will conform to the following standards. Operators will fence or cover open excavations to prevent access when sites are not attended. | | |
| Corrective Action: | Comply with Rule 913 b (5) B i | Date: | |
| Type | OTHER | | |
| Comment: | BMP: Lack of or improper BMP's on location, storage of material and open excavations. | | |
| Corrective Action: | Comply with rule 1002 series. | 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 | |
|--------------------|---|----------|-----------|---------|--------|----------------------------|
| CRUDE OIL | 1 | 300 BBLS | STEEL AST | | , | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: <input type="text"/> |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
|--------------------|---|---------------------|---------------------|-------------|----------------------------|
| Earth | Inadequate | Walls Insufficient | Base Sufficient | Inadequate | |
| Comment: | earthen berm breached and not repaired Has been documented in inspection reports since 2019 | | | | |
| Corrective Action: | ensure adequate secondary containment around the produced water and crude oil storage vessels. Repair or install berms or other secondary containment devices per Rule 912.d.(1). | | | | Date: <input type="text"/> |

Venting:

| | | | |
|--------------------|----|-------|----------------------|
| Yes/No | NO | | |
| Comment: | | | |
| Corrective Action: | | | |
| | | Date: | <input type="text"/> |

Flaring:

| | | | |
|--------------------|--|-------|----------------------|
| Type | | | |
| Comment: | | | |
| Corrective Action: | | | |
| | | Date: | <input type="text"/> |

Inspected FacilitiesFacility ID: 239987 Type: WELL API Number: 123-07775 Status: PR Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: At time of inspection well is SI due to what appears to be flowline repairs.

Corrective Action: _____ Date: _____

BradenHeadDate of Last Brhd Test: 12/01/2020 Annual Brhd Completed? YesLast Brhd Test Results Initial Surf Csg Pressure: 0 Fluid Type: _____End Surf Csg Pressure: 0

Comment: _____

Corrective Action: _____ Date: _____

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

| | | | | | | |
|--|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
| | | Tracking Pad | Fail | | | |
| <p>Comment: Tracking pad is not adequately maintained to prevent track of material offsite. (Cattle Guard)</p> <p>Corrective Action: Maintain vehicle tracking BMPs on the oil and gas location to comply with rule 1002.f.(2)F. Date: _____</p> <p>Pits: <input checked="" type="checkbox"/> NO SURFACE INDICATION OF PIT</p> | | | | | | |

COGCC Comments

| Comment | User | Date |
|--|---------|------------|
| <p>COGCC Inspection Report Summary</p> <p>On Wednesday October 27, 2021 at approximately 11:00AM, I, Inspector Randy Silver, conducted an on-site inspection.</p> <p>Location: Hladky-O'Gorman #3</p> <p>Operator: KP Kauffman</p> <p>API#: 123-07775</p> <p>County: Weld</p> <p>While there, I observed a well site and what appeared to be an active spill remediation project.</p> <p>During this inspection the following possible compliance issues were observed:</p> <p>Trash: Rule 606 See Photos 3,8,12</p> <p>Signage: Rule 605 See photo 4</p> <p>Secondary containment: Rule 9 12 d (1) See photos 14,15</p> <p>Fencing: Rule 913 b 5 B I See photos 9,10,19</p> <p>Self inspection: Rule 1002 F (2)</p> <p>Tracking pad: Rule 1002 f (2) F See photos 1,2</p> <p>Mechanical issue: Rule 608e See photo 3</p> <p>Weather conditions: Windy</p> <p>After an internal review of recent inspections at KPK facilities, COGCC Staff has determined that KPK has repeatedly and consistently failed to comply with certain COGCC rules (categorized in those inspection reports as violations related to "Signs/Marker," "Emergency Contact Number," and/or "Good Housekeeping"). In light of this apparent pattern of violations, violation(s) identified in this inspection report under those categories are being entered for notification and documentation only and are not intended to provide KPK the potential opportunity to resolve the alleged violation(s) without the imposition of penalty, pursuant to Rule 522.c. Therefore, in this inspection report, COGCC Staff has documented violation(s) and identified relevant corrective action(s) required to return to compliance, and pursuant to Rule 522.c., retains discretion to seek penalties for any violation documented in this inspection report.</p> <p>Pictures and drone flight is attached to inspection.</p> <p>A follow up on this site inspection needs to be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.</p> <p>This is a summary of inspection report.</p> | silverr | 10/28/2021 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---------------|---|
| 693505680 | loc pic | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5567666 |
| 693505699 | Drone flight. | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5567667 |