

**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:

07/28/2023

Submitted Date:

08/02/2023

Document Number:

710100047**FIELD INSPECTION FORM**Loc ID _____ Inspector Name: _____ On-Site Inspection ☐
Anderson, Laurel 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 46290Name of Operator: KP KAUFFMAN COMPANY INCAddress: 1700 LINCOLN ST STE 4550City: DENVER State: CO Zip: 80203**Status Summary:**

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

Findings:19 Number of Comments15 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 |
|----------------|----------------|--------------------------|---|
| Watzman, Ross | (303) 825-4822 | rwatzman@kpk.com | all inspections. |
| Graber, Nikki | | nikki.graber@state.co.us | |
| Peterson, John | 303-550-8872 | jpeterson@kpk.com | Director EHS & Compliance |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|--------------|--------|-------------|------------|-----------|--------------------------------|-------------|
| 242508 | WELL | PR | | OW | 123-10299 | UPRR 42 PAN AM D 2 | EI |
| 318931 | LOCATION | AC | | | - | UPRR 42 PAN AM D-62N66W 21NWNE | EI |
| 470886 | TANK BATTERY | AC | 01/15/2020 | | - | UPRR 42 Pan Am D 2 battery | EI |

General Comment:

This is an environmental inspection of the UPRR 42 Pan Am D2 battery (Facility ID 470886), UPRR Pan Am D2 well (API 123-10299), UPRR 42 PAN AM D-62N66W21NWNE (Location ID 318931), and a followup environmental inspection to determine progress on Spill ID 481819/Remediation Project #23780. Photos attached document site conditions at the time of this inspection.

Any corrective actions from previous inspections, NOAVs and/or conditions of approval from previous forms that have not been fully addressed are still applicable.

Previous inspection was performed on 7/10/2023 (Doc #403460730)

An NOAV was issued on 6/27/2023 - See Doc #403447292

Current site status: Some cleanup has taken place on location since the previous inspection. However, stained soil remains insitu in the area surrounding the former crude oil AST and appears to have been covered by freshly applied fill material, fencing remains downed and water pooled within the earthen secondary containment berm for the produced water and former crude oil ASTs, equipment is not properly stored on location, lock out tags have no been installed on all out of service equipment, weeds remain present throughout the location, signage/labels are inadequate.

While onsite ECMC collected two soil samples. PIDs ranged from 649.0 to 1117 ppm. The 1117 ppm sample (SS03@6") was collected adjacent to the former crude oil AST and flowline riser (~40.12901,-104.78145). The sample was packed in laboratory provided jars using standard environmental practices and immediately placed on ice and submitted under standard chain of custody for laboratory analysis of Table 915-1 organic compounds in soil. Results are pending.

LocationOverall Good: ☐

| | | | |
|----------------------|--|-------|------------|
| Signs/Marker: | | | |
| Type | BATTERY | | |
| Comment: | Tank battery signage installed is inadequate. | | |
| Corrective Action: | Install sign to comply with Rule 605.e. Note: The corrective action due date from the previous inspection (Doc #697602135) remains. | Date: | 08/10/2023 |

| | | | |
|---------------------------|--|--|-------------|
| Emergency Contact Number: | | | |
| Comment: | | | |
| Corrective Action: | | | Date: _____ |

| | | | |
|---------------------------|--|-------|------------|
| Good Housekeeping: | | | |
| Type | WEEDS | | |
| Comment: | Weeds remain throughout the location. | | |
| Corrective Action: | Comply with Rule 606. Note: The corrective action due date from the previous inspection (Doc #697602135) remains. | Date: | 07/18/2023 |
| Type | UNUSED EQUIPMENT | | |
| Comment: | Unused piping and ancillary equipment remains on location. | | |
| Corrective Action: | Comply with Rule 606. Note: Some equipment listed in the previous inspection has been removed; however, unused equipment remains on location. The corrective action due date from the previous inspection (Doc #697602135) remains. | Date: | 07/26/2023 |

Overall Good: ☐

| | | | |
|--------------------|---|--------|------------------|
| Spills: | | | |
| Type | Area | Volume | |
| Crude Oil | | | |
| Comment: | Impacts from the former crude oil AST remain insitu and appear mixed with water. | | |
| Corrective Action: | Control and contain spills/releases and clean up per Rule 912.a. Remove free fluids. Note: The corrective action due date from the previous inspection (Doc #697602135) remains. | | Date: 07/12/2023 |
| Crude Oil | | | |
| Comment: | Pursuant to Rule 912.b.(6), no later than 90 days after a Spill or Release is discovered, KP Kauffman Company, Inc. ("Operator") will have submitted, and obtained the Director's approval of either: A. A Form 19 – Supplemental requesting closure pursuant to Rule 913.h and supported by adequate documentation to demonstrate that the Spill or Release has been fully cleaned up and complies with Table 915-1; or B. A Form 27 if any of the criteria listed in Rules 912.b.(6).B.i–iii apply. If Remediation will continue under an approved Form 27, the Operator will also submit a Form 19 – Supplemental which requests closure of the Spill or Release and includes the Remediation project number assigned by the Director. | | |
| Corrective Action: | Operator shall submit a Form 19 Supplemental Spill/Release Report containing all required information and completed conditions of approval from prior Form 19s, and requesting closure of Spill/Release Point ID: 481819. Note: As of 8/2/2023, an approvable Form 19S has not been received. The corrective action due date listed corresponds to the NOAV issued on 6/27/2023 (Doc #403447292). | | Date: 08/27/2023 |

In Containment: No

Comment: ☐ Multiple Spills and Releases?

| | | | |
|--------------------|---|-------|------------|
| Fencing/: | | | |
| Type | LOCATION | | |
| Comment: | Barbed wire fencing on location around the earthen secondary containment berm for the 210-bbl steel produced water AST and former crude oil AST remains partially downed. | | |
| Corrective Action: | Per Rule 603.h, Oil and Gas Facilities will be adequately fenced to restrict access by unauthorized persons. Note: The corrective action due date from the previous inspection (Doc #697602135) remains. | Date: | 07/21/2023 |

| | | | |
|--------------------|--|-------|-----------------|
| Equipment: | | | corrective date |
| Type: Flow Line | # | | |
| Comment: | Flowline or transfer line has been left in place but is not connected to the west above ground storage tank (produced water AST). The storage tank has not been removed or abandoned at this location. | | |
| Corrective Action: | Per Rule 1105.b, Upon removing a flowline or crude oil transfer line from use with the intent to abandon, an operator must immediately apply OOSLAT to the risers. OOSLAT must stay in place at all times during the process of abandoning the flowline or crude oil transfer line until the operator removes the riser. Note: A single lock out tag has been installed on one flowline riser within the earthen secondary containment berm for the produced water and former crude oil ASTs. The corrective action due date from the previous inspection (Doc #697602135) remains. | Date: | 07/12/2023 |
| Type: Flow Line | # | | |
| Comment: | Flowlines or crude oil transfer lines not maintained to prevent failures or leakage connected to the former tank. Integrity issues not corrected. Valves not locked and tagged out. | | |
| Corrective Action: | Operator shall comply with the applicable 1100 series Rules for flowlines to be abandoned or whose status has changed from active to out of service. Note: The corrective action due date from the previous inspection (Doc #697602135) remains. | Date: | 07/12/2023 |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|------------|
| CRUDE OIL | 1 | | STEEL AST | | , |
| Comment: | On March 24, 2022, Operator submitted an Initial Form 19, Spill/Release Report (document no. 402994391) for the spill (Spill/Release Point ID: 481819) of produced water and oil at the UPRR 42 D2 Tank Battery. As a Condition of Approval, COGCC staff required Operator to provide records of tank inspections and maintenance. As of 8/2/2023, Operator has not provided documentation of the results of all Tank system inspections to the Director upon request, violating Rule 609.a. | | | | |
| Corrective Action: | In accordance with Rule 609.a, Operator shall submit previously requested records of tank inspections and maintenance or an explanation as to why tank inspection and maintenance was not conducted via Supplemental 19 Spill/Release Report for Point ID 481819. Note: The crude oil AST has since been removed; however, the corrective action remains and the due date listed corresponds to the NOAV issued on 6/27/2023 (Doc #403447292). | | | | |
| | | | | Date: | 07/27/2023 |

Paint

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

| | | | | | | |
|----------------------|------------|---------------------|---------------------|---|--------|------------|
| Other (Type) | | | | | | |
| Berms | | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | |
| Earth | | | | | | |
| Comment: | | | | Same as produced water AST. | | |
| Corrective Action: | | | | Date: | | |
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| PRODUCED WATER | 1 | OTHER | STEEL AST | | , | |
| Comment: | | | | 210-bbl vertical steel produced water aboveground storage tank is rusted and pitted. | | |
| Corrective Action: | | | | Date: | | 08/31/2023 |
| Paint | | | | | | |
| Condition | | | | | | |
| Other (Content) | | | | | | |
| Other (Capacity) 210 | | | | | | |
| Other (Type) | | | | | | |
| Berms | | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | |
| Earth | Inadequate | Walls Insufficient | Base Insufficient | Inadequate | | |
| Comment: | | | | Earthen berm where produced water AST and former crude oil AST are/were located has been replaced with loose unconsolidated and permeable dirt. Attempted repairs are inadequate. | | |
| Corrective Action: | | | | Date: | | 08/31/2023 |
| Venting: | | | | | | |
| Yes/No | | | | | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |
| Flaring: | | | | | | |
| Type | | | | | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |

| Inspected Facilities | | | | | | | | | |
|----------------------|---------------|-------|-----------------|-------------|------------------|---------|-----------|---------------|-----------|
| Facility ID: | <u>242508</u> | Type: | <u>WELL</u> | API Number: | <u>123-10299</u> | Status: | <u>PR</u> | Insp. Status: | <u>EI</u> |
| | | | | | | | | | |
| Facility ID: | <u>318931</u> | Type: | <u>LOCATION</u> | API Number: | <u>-</u> | Status: | <u>AC</u> | Insp. Status: | <u>EI</u> |
| | | | | | | | | | |
| Facility ID: | <u>470886</u> | Type: | <u>TANK</u> | API Number: | <u>-</u> | Status: | <u>AC</u> | Insp. Status: | <u>EI</u> |
| | | | | | | | | | |

Environmental**Spills/Releases:**

Type of Spill: OIL

Estimated Spill Volume: _____

Comment: Stained soil remains insitu in the area surrounding the former crude oil AST and appears to be covered by freshly applied fill material. Attached photos document the recognizable change in soil type between surficial soil within footprint of the spill vs surficial soil throughout the remainder of the earthen secondary containment berm.

Corrective Action: In accordance with 913.d.(1) Operator will investigate impacts to soil, Groundwater, and surface water as soon as the impacts are discovered. Operator will comply with the implementation schedule and Conditions of Approval for all remaining remediation of soil impacts, reclamation and reporting established in the COGCC Remediation Project No. 23780. Note: The corrective action due date listed corresponds to the NOAV issued on 6/27/2023 (Doc #403447292).

Date: 06/27/2023

Reportable: _____

GPS: Lat _____ Long _____

Proximity to Surface Water: _____

Depth to Ground Water: _____

Water Well Complaint:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____ Comment: _____

Waste Management:

Type Management Condition GPS (Lat) (Long)

| | | | | | |
|--------------------|--|------------|--|--|------------------|
| Oily Soil | Piles | Inadequate | | | |
| Comment: | <p>Stockpiled soil to the west of the produced water AST outside of the earthen secondary containment berm was noted as having been inadequately bermed, having no liner nor signage present to indicate if the soil is contaminated.</p> <p>Stockpiled soil to the west appears to have been removed from the location; However, stockpiled soil to the north of the produced water AST outside of the earthen secondary containment berm was observed. No BMPs have been installed (soil has not been placed on a liner, properly bermed, and no signage was present to indicate if the soil is contaminated).</p> | | | | |
| Corrective Action: | <p>Operator shall properly dispose of oily waste in accordance with 905.e. Additionally, Operator shall collect soil samples from the stockpile areas for laboratory analysis of all Table 915-1 contaminants of concern. All soil stockpiles and waste shall be managed in compliance with Rule 1002.(c). and ECMC Rule 913.b.(5)8.i-v Guidance.</p> <p>Note: The corrective action due date from the previous inspection (Doc #697602135) remains.</p> | | | | Date: 07/13/2023 |

Spill/Remediation:

Comment: Pursuant to Rule 913.e., after initial approval of a Form 27, KP Kauffman Company, Inc. ("Operator") will provide quarterly update reports in a Supplemental Form 27 to document progress of site investigation and Remediation, unless an alternative reporting schedule has been requested by the Operator and approved by the Director.

Operator has not maintained quarterly reporting.

Corrective Action: Operator shall submit a Form 27 Supplemental Site investigation and Remediation Workplan providing quarterly update reports and a detailed implementation schedule for Remediation Project No. 23780.

Note: The corrective action due date listed corresponds to the NOAV issued on 6/27/2023 (Doc #403447292).

Date: 07/11/2023

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: | | <p>No BMPs are in place to control stormwater runoff from the location and work area. Sediment has been transported off location onto the adjacent property. Additionally, the inadequately repaired portion of the earthen secondary containment berm has begun to erode.</p> | | | | |
| Corrective Action: | | <p>Install BMPs in accordance with 1002.f.(2) to prevent runoff.</p> | | | | Date: 08/08/2023 |
| Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT | | | | | | |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 403484374 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6203620 |
| 710100049 | Photo documentation | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6203609 |