

**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:

06/26/2024

Submitted Date:

07/03/2024

Document Number:

696205944**FIELD INSPECTION FORM**Loc ID 436485 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**ECMC Operator Number: 10421Name of Operator: PETROLEUM RESOURCE MANAGEMENT CORPAddress: 1110 SOUTH VINE STREETCity: DENVER State: CO Zip: 80210**Status Summary:**

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

Findings:22 Number of Comments9 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 |
|-------------------|-------|----------------------------------|-----------------|
| Neidel, Kris | | kris.neidel@state.co.us | |
| Arthur, Denise | | denise.arthur@state.co.us | |
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| Kirschner, Steven | | steven.kirschner@state.co.us | |
| Fischer, Alex | | alex.fischer@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 436484 | WELL | SI | 03/01/2021 | OW | 081-07799 | WPU-36-1V H2 | RI |

General Comment:

On 6/25/2024, NW Reclamation Specialist Trujillo and Reclamation Specialist Maxwell conducted a joint inspection with ECMC Environmental Staff (EPS Supervisor Fischer, NW EPS Neidel) at Petroleum Resource Management Corp's WPU-36-1V #H2 Location in Moffat County, CO.

This inspection is a followup to #696205338 to document compliance with the following compliance issues:

- Undesirable Plant Species
- Stormwater
- Interim Reclamation
- Cuttings Management
- Closure of Facilities
- Unused Equipment
- Signage/Labeling Requirements
- Improperly capped loadout lines
- Inactive well requirements
- Forms and Financial Assurance
- Cellar; wildlife and safety concerns
- Operational and Safety requirements

It was observed in this inspection that the Location remains out of compliance with ECMC Rules and corrective actions

Refer to the "Location", "Environmental", "Reclamation" and "Stormwater" sections 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.

LocationOverall Good: ☐

| | | | |
|----------------------|---|-------|--|
| Signs/Marker: | | | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | <p>Inspection #696205338 observed tanks on the Location missing required signage pursuant to Rule 605.h.</p> <p>It was observed in this inspection that the tanks have since been removed from the Location. This CA is no longer applicable.</p> | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Location entrance | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 303-861-9480

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|-------|------------|
| Type | WEEDS | | |
| Comment: | <p>Inspection #696205338 observed Undesirable Plant Species (Bull thistle, Canada thistle, Houndstongue) established on the Location. Inspection required Operator to comply with Rule 606.c and 1003.f.</p> <p>It was observed in this inspection that Undesirable Plant Species have continued to spread and establish on the Location.</p> <p>This CA has not been addressed and remains applicable.</p> | | |
| Corrective Action: | <p>CA per inspection #696205338:</p> <p>Comply with Rules 606.c and 1003.f. Keep Location free of all Undesirable Plant Species. Ongoing weed monitoring/management required until Location receives a passing Final Reclamation Inspection.</p> | Date: | |
| Type | TRASH | | |
| Comment: | Inspection #696205338 observed Operator in the process of removing liner material from the Location. It was observed in this inspection that, what appears to be liner material, remains partially buried on the Location. Any remaining trash/debris/unused material require removal and proper disposal. | | |
| Corrective Action: | Comply with 606 Rules. | Date: | 07/10/2024 |
| Type | UNUSED EQUIPMENT | | |
| Comment: | <p>Inspection #696205338 observed various unused equipment (tanks, pipe, etc...) observed stored on the north and eastern areas of the working pad surface. Inspection required Operator to comply with 606 Rules.</p> <p>It was observed in this inspection that the unused equipment have been removed from the north and eastern areas of the working pad surface.</p> <p>This CA has been resolved.</p> | | |
| Corrective Action: | | Date: | |

Overall Good: ☐

| | | | | |
|--------------------|--|--------|--|------------------|
| Spills: | | | | |
| Type | Area | Volume | | |
| | | | | |
| Comment: | It was observed in this inspection that Operator appears to have utilized the stormwater outlet on the east end of the pad as a "wash out"; vehicle tracks observed at the BMP and cement waste has been poured into the control. This is improper management of non-E&P waste and does not comport with Rules 902.b, 906.a-b, and 1002.f. | | | |
| Corrective Action: | Clean and remediate spills to Table 915-1 cleanup concentrations. Comply with Rule 906 for the removal and proper disposal of non-E&P Waste. | | | Date: 07/05/2024 |
| | | | | |
| Comment: | Inspection #696205338 observed stained soils/spills observed throughout the Location, including areas around the two tanks stored on the east end of the Location, and the pipeline on the north end of the Location. It was observed in this inspection that stained soils remain on the Location. This CA has not been addressed and remains applicable. | | | |
| Corrective Action: | CA Per inspection #696205338: Clean/remediate stained soils and spills to Table 915-1 cleanup concentrations. | | | Date: |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

| | | | |
|--------------------|--|--|-----------------|
| Equipment: | | | corrective date |
| Type: | # | | |
| Comment: | Inspection #696205338 observed that Loadlines at the two tanks stored on the Location have not been bullplugged or capped. Inspection required Operator to Comply with Rule 603.i It was observed in this inspection that the tanks have been removed from the Location. CA is no longer applicable. | | |
| Corrective Action: | | | Date: |
| Type: | # | | |
| Comment: | Inspection #696205338 observed risers associated with production equipment (tanks/tank battery, separator equipment, etc...) that have been removed from the Location on the southern and western areas of the working pad surface; Flowlines/risers have not been properly capped/OOSLAT during abandonment; Equipment/Risers are abandoned and requires removal. Inspection required Operator to abide by all 1100 series rules for flowline removal from service and abandonment; remove flowline risers per 1100 and 1000 series rules. It was observed that the risers have been capped, however the unused flowline equipment have not been removed. This CA has not been addressed and remains applicable. | | |
| Corrective Action: | CA Per Inspection #696205338: Abide by all 1100 series rules for flowline removal from service and abandonment; remove flowline risers per 1100 and 1000 series rules. | | Date: |
| Type: | # | | |

| | | | | |
|--------------------|--|---|-------|------------|
| Comment: | Inspection #696205338 observed that the cellar at the well has not been properly covered. Cellar has also filled with fluids. It was observed in this inspection that the cellar has been backfilled with material. This CA has been resolved. | | | |
| Corrective Action: | | | Date: | |
| Type: | | # | | |
| Comment: | Pipe riser next to the Location entrance on the north end of the Location open; BMPs to prevent wildlife access to the pipe missing or insufficient. | | | |
| Corrective Action: | Comply With Rule 902.b- Cover/Cap or install other BMPs to prevent wildlife access to the pipe, including birds and bats. | | Date: | 07/05/2024 |
| Type: | | # | | |
| Comment: | See "Comment #1" at the end of this report. | | | |
| Corrective Action: | | | Date: | |

Venting:

| | | | |
|--------------------|--|--|-------|
| Yes/No | | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

Flaring:

| | | | |
|--------------------|--|--|-------|
| Type | | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

| Inspected Facilities | | | | | | | | | |
|--|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 436484 | Type: | WELL | API Number: | 081-07799 | Status: | SI | Insp. Status: | RI |
| The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12 | | | | | | | | | |

| Environmental | | | | | |
|---|--|------------|------------------|--|------------------|
| Waste Management: | | | | | |
| Type | Management | Condition | GPS (Lat) (Long) | | |
| Drill Cuttings | | Inadequate | | | |
| Comment | See "Comment #2" at the end of this rept. | | | | |
| Corrective Action | Comply with 905 Rules, Rule 902 and Rule 1002.f- Install containment measures to prevent pollution of stormwater Runoff, Groundwater, and surface water. | | | | Date: 07/05/2024 |
| Spill/Remediation: | | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: _____ |
| Emission Control Burner (ECB): _____ | | | | | |
| Comment: _____ | | | | | |
| Pilot: _____ Wildlife Protection Devices (fired vessels): _____ | | | | | |

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 _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____

Comment _____

Topsoil stockpile observed on the north end of the Location.

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? _____

RESTORATION AND REVEGETATIONCropland

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? F

Comment Inspection #696205338 observed areas on the northeast/east, south and west ends of the Location that are not necessary for production subject to 1003 Reclamation requirements. Inspection required Operator to comply with Rule 1003.b and conduct interim reclamation.

It was observed in this inspection that interim reclamation of areas not necessary for production have not been reclaimed.

This CA has not been addressed and remains applicable.

Corrective Action Comply with Rule 1003.b and conduct interim reclamation on areas no longer in use including, but not limited to, compaction alleviation (cross-ripping to a minimum depth of 18 inches), recontouring/regrading and revegetation activities. Comply with Rules 1002.f and 1002.c and implement control measures to protect and stabilize the seeded soils. Continue to monitor and manage interim areas to ensure site progresses towards 1003.e.(2) standards.

Date _____

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 |
|----------------------|----------------------|-------------------------|-----------------------|----------------------|--------------------------|----------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> |

Comment:

Corrective Action:

Date:

Pits: ☐ NO SURFACE INDICATION OF PIT

ECMC Comments

| Comment | User | Date |
|---|------------|------------|
| <p>COMMENT #3</p> <p>Inspection #696205338 observed that stormwater and erosion control BMPs are missing or insufficient on the Location:</p> <p>-Slopes on the east and north end of the Location were observed to be bare; BMPs to stabilize the slopes, as well as to minimize erosion and degradation have not been implemented per good engineering practices.</p> <p>-Control measures to allow for sediment laden-free stormwater discharge have not been implemented in conjunction with the outlet on the east end of the location; sediment laden stormwater was observed discharging from the working pad surface. Outlet does not appear to have been lined with geotextile material in conjunction with the rip-rap armoring; stormwater degradation to the walls of the outlet observed.</p> <p>-Stormwater diversion ditch along the eastern perimeter of the Location has been designed in such a manner that will discharge stormwater into an irrigation ditch- potentially impacting Waters of the State.</p> <p>Inspection required Operator to comply with Rule 1002.f.</p> <p>It was observed in this inspection that work to address the compliance issues were not performed, or has been inadequate.</p> <p>-Slopes on the north end of the Location remain bare; erosion logs have been installed at the toe of the slopes to address sediment transport, however no other controls have been implemented in conjunction with the erosion logs on the slopes to minimize erosion and degradation per good engineering practices; additionally, the erosion logs have not been installed or maintained in proper functioning condition. Operator also appears to have installed an erosion blanket on sections of the slopes on the east end of the Location; BMP has not been installed per good engineering practice or maintained in a proper functioning condition; BMP is not in full contact with the soil, and the plastic netting is all that remains. Outlets on north and east end of the Location have not been installed or repaired per good engineering practice; stormwater degradation to the walls of the outlets remains evident; geotextile lining in conjunction with rip-rap not observed. Inlets also lack armoring and erosion degradation migrating into the working pad surface is evident.</p> <p>Refer to the "Spills" and "Environmental" sections regarding stormwater and spill issues related to cement and management of E&P waste.</p> <p>This CA has not been addressed per good engineering practice, and remains applicable.</p> | trujilloam | 07/03/2024 |

COMMENT #2

trujilloam

07/03/2024

Remediation Project #9706 related to the management of drill cuttings on the Location was closed via Form 27 #401410420 on 10/4/2017. Operator comments within document #1313034 state that "The cuttings were buried in the cut slope, covered with three feet of clean soil, and seeded".

Inspection #696205338 observed that drill cuttings remain stored along the cut slope on the south end of the working pad surface; drill cuttings had not been buried and seeded as indicated within Operator's correspondence. Inspection required Operator to submit a Form 19 based on Rule 912.b.(1).E.

Operator submitted Form 19(i) #403661778 on 3/10/2024 and Form 27(s) 403705421 verifying the cuttings location on the site.

This CA has been resolved.

It is being noted until Operator can provide supporting documentation showing that the cutting material is in compliance with Table 915-1 requirements, the material is required to be managed as "Oily Waste" pursuant to Rule 905 and BMPs to ensure the impacted materials are properly contained are required; at time of inspection, control measures to contain the impacted materials have not been installed; the cutting materials have been stored at the base of the cut slope and migration of the impacted material via stormwater into the Location's stormwater diversion ditch is apparent.

Operator is required to implement containment measures to prevent pollution of stormwater Runoff, Groundwater, and surface water.

COMMENT #1

trujilloam

07/03/2024

Inspection #696205338 observed that the production facilities have been removed from the Location; previous inspections and aerial imagery identify a tank battery facility containing three (3) 500 bbl produced water tanks and eight (8) 400 bbl crude oil tanks; one (1) vertical heated separator; one (1) dehydrator; one (1) Gas Meter Run; and one (1) Emission Control Device previously existing on the Location. No Form 27 for closure and decommissioning the Facilities were submitted pursuant to 911 requirements. Inspection required Operator to submit a Form 27 per Rule 911 for the decommissioning of the tank battery facilities and production equipment.

At time of inspection, a Form 27 had not been submitted. However, at time of writing this report, Operator submitted F27(i) #403812687 on 7/2/2024; F27 currently "in process". This CA has been resolved, though it is being noted that the F27 was submitted post removal of facilities and months after CA date requirements.

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 696205945 | Inspection Photos | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6611141 |