

**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:

01/10/2025

Submitted Date:

01/13/2025

Document Number:

717100032

FIELD INSPECTION FORM

Loc ID 317719 Inspector Name: Rollins, Grace On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

ECMC Operator Number: 46290
Name of Operator: KP KAUFFMAN COMPANY INC
Address: 1700 LINCOLN ST STE 4550
City: DENVER State: CO Zip: 80203

Findings:

- 12 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
Watzman, Ross	(303) 825-4822	rwatzman@kpk.com	all inspections.
Brown, Kari		kari.oakman@state.co.us	
Anderson, Laurel		laurel.anderson@state.co.us	
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
Norton, Matthew		mnorton@kpk.com	KPK Environmental
Kirschner, Steven		steven.kirschner@state.co.us	
Graber, Nikki		nikki.graber@state.co.us	
,		cogcc@kpk.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
239855	WELL	PR	04/01/2019	OW	123-07643	HAZEL MCHALE 1	PR
317719	LOCATION	AC			-	HAZEL MCHALE-62N67W 26SWSE	EI
475479	OFF-LOCATION FLOWLINE	AC	10/14/2020		-	Wellhead Line 26SWSE	AC

General Comment:

ECMC Environmental Field Inspection Report Summary

On January 6, 2025, EMC received a complaint from the friend of a landowner (Form 18 Document Number 404048198). The complaint noted that on January 2, 2025, apparent hydrocarbon fluids were observed leaking from the separator. The posted Emergency Contact Number (303)825-4822 was called to notify KP Kauffman (Operator) of the leak. The complaint reports that the Operator appeared to have repaired the leaking equipment but addressed neither the contamination nor the lack of adequate fencing in the presence of livestock.

On January 10, 2025, at approximately 12:00 pm ECMC Environmental Protection Specialists, Laurel Anderson and Grace Rollins, conducted an on-site inspection of the following Operator facilities:

HAZEL MCHALE 1 Well (API 05-123-07643)

HAZEL MCHALE-62N67W 26SWSE Location (Location ID 317719)

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.

Current site status:

- Stained soil (roughly ~7' x ~6') remains in situ in the area surrounding the southern portion of the separator. The stained soil has been covered with a thin layer of dirt/fill material since the filing of the complaint (some time between 01/02/2025 and 01/10/2025).
- The tank containment, manifolds, separator, and release location share a common fence. This fencing is in poor condition and open.
- Livestock are roaming in the field adjacent to and throughout the location, as evidenced by livestock tracks and manure within the fenced area and the immediate vicinity of the spill.
- Other wildlife tracks are also visible in the immediate vicinity of the spill.
- Signage is present that is not legible and does not reference the current Operator.
- Debris is present adjacent to the tank containment and wellhead areas.
- Unused equipment is present adjacent to the wellhead.

While onsite ECMC collected three soil samples, one of which (SS-01@0-6") was submitted for laboratory analysis. PIDs ranged from 48.7 in SS-03@0-6" to 4408 ppm in SS-01@0-6". Samples were collected adjacent to the separator from visibly impacted soil beneath the thin layer of newly placed fill material. The samples were 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, Table 915-1 soil suitability for reclamation parameters, and Table 915-1 metals (sans hexavalent chromium). Soils within the spill area are comprised of sandy silt with gravel; therefore, vertical migration is suspected. Based on soil lithology ECMC estimates the spill volume to be between 1.04 and 2.59 bbls. Conservative Table 900-3 conversion estimates the spill between 0.48 and 1.20 barrels, which is reportable in accordance with Rule 912.b.1.B. Based on the pooled petroleum hydrocarbons visible in the photos provided with the complaint, the spill is suspected to have migrated to the subsurface and is therefore not fully contained within a liner.

An Initial Form 19 is required based on the pictures attached to the initial complaint, the estimated spill volume, remaining impacts in situ, and visual, olfactory, and screening field observations.

See attached corrective actions. ECMC has not received a Form 19 Initial to date (as of 01/10/2025).

Location			
Overall Good: <input type="checkbox"/>			
Signs/Marker:			
Type	OTHER		
Comment:	Sign not legible and not updated to reflect current Operator.		
Corrective Action:	Comply with Rule 605.		Date: <u>03/14/2025</u>
Emergency Contact Number:			
Comment:	Posted Operator Emergency Contact Number is (303) 825-4822. However, Operator has previously directed ECMC staff to call (303) 833-5670 instead of report emergencies.		
Corrective Action:	Operator shall confirm or update all signage with the desired Emergency Contact Number to comply with Rule 605.		Date: <u>02/12/2025</u>
Good Housekeeping:			
Type	UNUSED EQUIPMENT		
Comment:	Unused equipment is present adjacent to the wellhead.		
Corrective Action:	Comply with Rule 606.		Date: <u>01/26/2025</u>
Type	DEBRIS		
Comment:	Debris is present within the tank containment and wellhead fencing.		
Corrective Action:	Comply with Rule 606.		Date: <u>01/20/2025</u>
Overall Good: <input type="checkbox"/>			
Spills:			
Type	Area	Volume	
PW/CO	Separator	<= 1 bbl	
Comment:	Pictures showing apparent pooled petroleum hydrocarbon fluids were included in a complaint (Form 18 Document Number 404048198) received by ECMC on 01/02/2025. While onsite, ECMC observed stained soil with a strong petroleum hydrocarbon odor (roughly ~7' x ~6') in situ in the area surrounding the southern portion of the horizontal separator. The stained soil has been covered with a thin layer of dirt/fill material.		
Corrective Action:	Properly dispose of oily waste in accordance with 905.e and report in accordance with 912. CA backdated to 24 hours following the date of discovery as notification to the Operator was reported (Form 18 Document Number 404048198). As of 01/13/2025, an Initial Form 19 has not been submitted.		Date: <u>01/03/2025</u>
In Containment: <u>No</u>			
Comment:	Based on soil lithology ECMC estimates the spill volume to be between 1.04 and 2.59 bbls. Conservative Table 900-3 conversion estimates the spill between 0.48 and 1.20 barrels, which is reportable in accordance with Rule 912.b.1.B. Based on the pooled petroleum hydrocarbons visible in the photos provided with the complaint, the spill is suspected to have migrated to the subsurface and is therefore not fully contained within a liner.		
<input type="checkbox"/> Multiple Spills and Releases?			
Fencing/:			
Type	TANK BATTERY		
Comment:	Surface owner has requested existing fencing be repaired to prevent livestock access to the facility and spill location. Fencing around the tank containment, ancillary equipment, separator and spill location is in poor condition and open. Fencing around the produced water vault is also in poor condtion.		
Corrective Action:	Comply with Rule 1002. CA backdated to 5 days following ECMC's receipt of complaint in which notification to the Operator was reported (Form 18 Document Number 404048198).		Date: <u>01/07/2025</u>
Venting:			

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities

Facility ID: 239855 Type: WELL API Number: 123-07643 Status: PR Insp. Status: PR

Complaint

Comment: Description from complaint (Form 18 Document Number 404048198): On Thursday, 1/2/25, the landowner noticed a significant amount of oil coming out of a broken sight glass of the separator. He called me for help on this matter, so I directed him to call the emergency number on the facility sign. A crew showed up shortly to fix the sight glass, but the ground contamination was not thoroughly addressed. His cattle came around during the process, so the landowner also asked them to fix their fence barrier around the facility, but this has not been taken care of properly either, so a lot of time is spent now keeping the cattle out and away from the equipment. He will most likely stretch wire himself to fix this problem if it does not raise concern with KP Kauffman.

Corrective Action: Repair fencing to comply with Rule 1002.
 Properly dispose of oily waste in accordance with 905.e and report in accordance with 912.
 CA backdated to 24 hours following ECMC's receipt of complaint in which notification to the Operator was reported (Form 18 Document Number 404048198). As of 01/13/2025, an Initial Form 19 has not been submitted.

Date: 01/03/2025

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Facility ID: 317719 Type: LOCATION API Number: - Status: AC Insp. Status: EI

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Facility ID: 475479 Type: OFF- API Number: - Status: AC Insp. Status: AC

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

ECMC Comments

Comment	User	Date
Any corrective actions from previous inspections, NOAVs and/or conditions of approval from previous forms that have not been fully addressed are still applicable.	rollinsg	01/13/2025

Attached Documents

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

Document Num	Description	URL
404056508	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6874301
717100033	ECMC Soil Sampling Field Observations Map - McHale Hazel 1	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6874296
717100036	ECMC Photo Log - McHale Hazel 1	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6874297
717100037	ECMC Table 900-3 Conversions - McHale Hazel 1	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6874298
717100038	Complaint Form & Attachments	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6874299