

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



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Inspection Date:
07/03/2015

Document Number:
677900099

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>318231</u>	<u>318231</u>	<u>FISCHER, ALEX</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>87195</u>
Name of Operator:	<u>TEXAS TEA OF COLORADO LLC DBA TEXAS TEA LLC</u>
Address:	<u>14405 W. COLFAX #298</u>
City:	<u>LAKEWOOD</u> State: <u>CO</u> Zip: <u>80401</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Parker, Bob	720-775-7209	rpmindy@msn.com	owner
Axelson, John		john.axelson@state.co.us	

Compliance Summary:

QtrQtr: NWSE Sec: 17 Twp: 2N Range: 67W

Inspector Comment:

On July 3, 2015 COGCC Environmental Staff (Alex Fischer) conducted an environmental field inspection of the Texas Tea of Colorado LLC., (Texas Tea) Pace #2, API 05-123-08720 Facility. This was a result of an inquiry from Anadarko Petroleum regarding an alleged flow line leak. Mark Markley and Charles Chase from Anadarko were on location at 07:45 and Don Morgan, contract pumper for Texas Tea on location at 08:55. Weather was sunny and temperature was about 70 degree Fahrenheit at time of inspection. The well was SI at this time. Anadarko provided access to their compressor facility where the alleged flow line leak occurred. A meter house was removed and temporarily relocated where exposed flow lines were observed in an open excavation. A complete summary is attached a part of this INSP. NOTE: It was stated to the Operator's Contract Pumper that a Form 19 was required and to notify COGCC prior to daylighting/excavating soil above the line leak.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
240932	WELL	PR	01/09/2014	OW	123-08720	PACE 2	PR

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Emergency Contact Number (S/A/V): _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TRASH	ACTION REQUIRED	Bucket and oil rag.	Remove from location.	07/18/2015
DEBRIS	ACTION REQUIRED	Concrete pad, pipi, and wood debris at former sparator shed.	Remove material and recycle or dispose. Reclaim sisturbed areas from concrete pad removal.	07/31/2015

Spills:				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Separator	<= 5 bbls	Oil saturated soil beneath 1/2-inch tube coming out of separator. Oil stained soil around separator and on north side of berm. An approximate 2-cubic yards of oily soil was noted in the weeds north of the separator. Oil stains on ground surface (access road) near the separator. Removal oily material and properly dispose.	07/08/2015

Multiple Spills and Releases?

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 318231

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Environmental

Spills/Releases:

Type of Spill: OIL Description: Spoil pile Estimated Spill Volume: _____

Comment: • Oil saturated soil beneath 1/2-inch tube coming out of separator. • Oil stained soil around separator and on north side of berm. • An approximate 2-cubic yards of oily soil was noted in the weeds north of the separator. • Oil stains on ground surface (access road) near the separator.

Corrective Action: Remove and properly dispose of oily soil and material Date: 07/31/2015

Reportable: _____ GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

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

Field Parameters:

Sample Location: _____

Waste Management:

Type	Management	Condition	Comment	GPS (Lat)	(Long)
Oily Soil	Other	Inadequate	Oil saturated soil beneath 1/2-inch tube coming out of separator. Oil stained soil around separator and on north side of berm. Oil stains on ground surface (access road) near the separator.		
Oily Soil	Piles	Inadequate	An approximate 2-cubic yards of oily soil was noted in the weeds north of the separator.		

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: _____

Comment: _____

- 1003a. Debris removed? _____ CM _____
 CA _____ CA Date _____
- Waste Material Onsite? _____ CM _____
 CA _____ CA Date _____
- Unused or unneeded equipment onsite? _____ CM _____
 CA _____ CA Date _____
- Pit, cellars, rat holes and other bores closed? _____ CM _____
 CA _____ CA Date _____
- Guy line anchors removed? _____ CM _____
 CA _____ CA Date _____
- Guy line anchors marked? _____ CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized? _____

1003c. Compacted areas have been cross ripped? _____

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? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Inspector Name: FISCHER, ALEX

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

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 _____

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

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments		
Comment	User	Date
On July 3, 2015 COGCC Environmental Staff (Alex Fischer) conducted an environmental field inspection of the Texas Tea of Colorado LLC., (Texas Tea) Pace #2, API 05-123-08720 Facility. This was a result of an inquiry from Anadarko Petroleum regarding an alleged flow line leak. Mark Markley and Charles Chase from Anadarko were on location at 07:45 and Don Morgan, contract pumper for Texas Tea on location at 08:55. Weather was sunny and temperature was about 70 degree Fahrenheit at time of Inspection. The well was SI at this time. Anadarko provided access to their compressor facility where the alleged flow line leak occurred. A meter house was removed and temporarily relocated where exposed flow lines were observed in an open excavation. The following is a summary: • Three (3) 3-inch steel flow lines that Anadarko identified as Encana's were exposed approximately 5-feet below ground surface (bgs). Anadarko stated that these lines has	fischera	07/20/2015

sound integrity. Unsure if these lines were active or SI at time of the Inspection.

- One (1) 3-inch steel discharge line identified as Anadarko's was exposed approximately 5-feet below ground surface (bgs). This line was SI at the time of the Inspection.
- One (1) 3-inch fiberglass flow line and one (1) one-inch poly line identified as Texas teas were exposed approximately 5-feet below ground surface (bgs). The fiberglass line was located beneath the footprint of the meter house and communication tower. These lines were SI at time of the Inspection.
- The area beneath the meter house and communications tower indicated visual discoloration of the soil from the fiberglass flow line upward to the ground surface with what appeared to be more concentrated discoloration from the flow to about 2 feet above the line.
- Pace # 2 well head was SI. Oily material was built up around the stuffing box, around the wellhead and valves, with fresh soil on ground surface, pipes and valves.
- Valves were in the OFF position, but it appeared that the casing valve may have turned recently.
- Polish rod has some slight rust and dirt accumulation.
- Birds nests were noted on the pump jack.
- A 5-gallon pail apparently empty was near the pump jack.
- At about 8:56 the Texas Tea line was energized by Mr. Morgan and within approximately 1-minute, gas and fluids were emitting from the fiberglass line. Approximate pressure was 20 PSI. The line was then SI.
- When Asked by Alex how long had the well been SI, Mr. Morgan stated about 3-months.
- Mr. Morgan stated that repairs were made at tank battery where they found a plastic pipe cap to be the cause of a release at the tanks. This was repaired and replaced and at that time, he had energized the line to test for tightness (approximately 1-week ago, or 2-weeks from Monday July 6, 2015). Anadarko indicated that this was the time that Anadarko personnel noted gas vapors near their meter shed and then subsequently exposed all the lines with a hydrovac.
- Mr. Morgan indicated that modifications (replacement of a valve) were made to the tank battery about 2-years ago.
- Alex told Mr. Morgan that Texas Tea was to submit a Form 19 Spill/Release Report, and to provide the COGCC notification prior to day lighting/excavating soil above the line leak to that the COGCC maybe present at that time. John Axelson's contact information was provided.
- Anadarko found a pin hole leak in their flow line located approximately 50-feet east of the Texas Tea tank battery. Repairs were made and the excavation was backfilled. Mr. Chase provided Spill Report Document Number 400861293 and indicated that they will be conducting a subsurface investigation to determine the extent of impact. He stated the groundwater is about 5.5 feet bgs and that groundwater was impacted.

Texas Tea tank battery:

- Appears that soil has been removed as indicated by lower exposed portions of the tanks. Thanks exhibit signs of peeling paint and rust near the lower portion of tanks.
- Manway panels have been recently painted.
- 300-barrel, Tank Number 54023 – valves, fittings, bull plug leaking as evident of soil staining beneath valve. This valve was in off position and locked out.
- 300-barrel, Tank Number 54021 –This valve was off position but not locked out.
- Trash (oily rag) located on the east side of Tank Number 54023.

Former separator shed:

- Concrete pad, pipe, concrete, and wood debris.

Horizontal separator:

- Oil saturated soil beneath 1/2-inch tube coming out of separator.
- Resent work done as evidence by recent plumbing of fittings (new tape/pipe dope visible).
- Oil stained soil around separator and on north side of berm.
- An approximate 2-cubic yards of oily soil was noted in the weeds north of the separator.
- Oil stains on ground surface (access road) near the separator.

EPS Recommendations

With the apparent shallow groundwater (5-6 feet bgs) subsurface site investigation(s) and assessments should be conducted to verify that groundwater has not been impacted in the vicinity of the tank battery, horizontal separator, and compromised line location.

Attached Documents

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

Document Num	Description	URL
677900100	INSP Summary 20150703 Texas Tea Pace # 2 API 0512308720ajf	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3646161
677900101	INSP Summary 201500703Texas Tea Pace #2 API 123 08720 Photo log	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3646162

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)