

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:
11/20/2014

Document Number:
674601260

Overall Inspection:

ALLEGED VIOLATION

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>214894</u>	<u>325498</u>	<u>Maclaren, Joe</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>25250</u>
Name of Operator:	<u>DUGAN PRODUCTION CORP</u>
Address:	<u>P O BOX 420</u>
City:	<u>FARMINGTON</u> State: <u>NM</u> Zip: <u>87499-</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
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Labowskie, Steve		steve.labowskie@state.co.us	
Ash, Margaret		margaret.ash@state.co.us	
John Alexander		john.alexander@duganproduction.com	SW Insp Reports
Hughes, Jim		jimo.hughes@state.co.us	
Kevin Smaka		kevin.smaka@duganproduction.com	Sw Insp Reports
Fischer, Alex		alex.fischer@state.co.us	

Compliance Summary:

QtrQtr: NENW Sec: 11 Twp: 32N Range: 7W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
11/29/2006	200107765	PR	PR	SATISFACTORY		Pass	No
10/14/2005	200080368	PR	PR	SATISFACTORY		Pass	No
12/03/2003	200050184	PR	PR	SATISFACTORY		Pass	No
10/25/2002	200032286	PR	PR	SATISFACTORY		Pass	No
03/27/2001	200016345	PR	PR	SATISFACTORY		Pass	No
12/22/1999	200003255	PR	PR	SATISFACTORY		Pass	No
09/29/1998	500148009	PR	PR			Pass	No
09/28/1998	500148008	PR	PR			Pass	No
04/04/1997	500148007	PR	PR			Pass	No
06/26/1995	500148006	PR	PR				No

Inspector Comment:

Inspector Name: Maclaren, Joe

The overall status of this field inspection conducted on 11/20/2014 is Alleged Violation. A spill was observed taking place from the unbermed fiberglass open top tank (> 1BBI out of containment) on the well site. Dugan Production Corp must complete and file an eform 19 with COGCC and immediately follow up with COGCC Environmental Protection Specialist Jim Hughes (970.903.4072) regarding proper response to spill. Additional alleged violations and action required issues were observed with details outlined in this report. An NOAV is being prepared by the COGCC. Pictures have been uploaded and can be accessed via the link at end of report.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
214894	WELL	PR	02/28/2011	GW	067-06498	TIFFANY 1	PR	<input checked="" type="checkbox"/>

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

Lease Road:

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	ACTION REQUIRED	The gate on access road near well pad is heavily damaged.	Repair/ replace or remove gate to operate effectively for livestock control and/ or in event of emergency.	01/26/2015

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	ACTION REQUIRED	No signage on fiberglass open top tank.	Install sign to comply with rule 210.	12/29/2014
TANK LABELS/PLACARDS	ACTION REQUIRED	No signage at steel open top tank (near dehydrator).	Install sign to comply with rule 210.	12/29/2014

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	ACTION REQUIRED	Trash, old pipe/ fittings (in tank berm area, etc) and unused equipment observed on well pad.	Remove all trash and unused parts/ equipment from location.	12/29/2014

WEEDS	ACTION REQUIRED	Undesireable vegetation/ weeds around wellhead and production equipment (including fired/ heated equipment).	Remove undesireable vegetation/ weeds from around all equipment on well pad and control future growth.	12/29/2014
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Spills:

Type	Area	Volume	Corrective action	CA Date
	Tank		Fluid spill/ saturated and stained soils observed around and downgradient from fiberglass open top tank. Volume appears to be > 1 bbl out of containment. No secondary containment (berm) around tank. An eform 19 must be immediately filed; Follow up with COGCC EPS Jim Hughes @ (970.903.4072) regarding spill response.	11/26/2014

Multiple Spills and Releases?

Fencing/:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER				

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Horizontal Heated Separator	1	ACTION REQUIRED	Inadequate paint/ coating on equipment.	Repaint equipment on location.	06/01/2015
Ancillary equipment	1	SATISFACTORY			
Gas Meter Run	1	SATISFACTORY			
Ancillary equipment	1	ALLEGED VIOLATION	Chemical tank containment is full of (light brown) fluid; No wildlife screen over containment.	Remove fluid from containment; Install wildlife screen as soon as possible or by corrective action date listed.	11/26/2014
Compressor	1	ACTION REQUIRED	Free standing oil observed on compressor skid; Stained soils observed around compressor/ equipment.	Stop leaks on equipment; Repair equipment to prevent future leaks; Clean skid; Properly remove and remediate stained soils. Note: Gravel/ dirt cover alone is not an acceptable action.	11/26/2014
Flow Line	1	SATISFACTORY			
Bird Protectors	1	SATISFACTORY			
Dehydrator	1	ACTION REQUIRED	Inadequate paint/ coating on equipment.	Repaint equipment on location.	06/01/2015
Plunger Lift	1	SATISFACTORY			

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
	1		Open Top	37.035840,-107.581550

S/A/V: **ACTION REQUIRED** Comment:

Steel open top tank is not level. Fluid observed in berm/ containment area; Tank/ equipment integrity must be confirmed. Wildlife screen has openings and is in need of repair.

Corrective Action: Confirm tank integrity/ replace as necessary; Re-level and support tank bottom to prevent future integrity issues; Keep berm area free of fluid; Repair or replace wildlife screen. Corrective Date: 12/29/2014

Paint

Condition

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth				Inadequate

Corrective Action: Raise earthen berm walls to prevent stormwater from entering berm area; Must meet rule 604.C.2.G capacity requirements. Repair, remove or replace torn poly liner. Corrective Date: 12/29/2014

Comment: Berm walls at steel open top tank have subsided over time; Poly liner unmaintained.

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
	1		Open Top	,

S/A/V: **ALLEGED VIOLATION** Comment: Unreported spill / heavily stained soils observed around unbermed fiberglass open top tank; Wildlife screen has collapsed and is damaged (with holes).

Corrective Action: File eform 19 and communicate with COGCC EPS regarding proper spill response; Confirm tank/ equipment integrity and repair/ replace as necessary; Repair or replace wildlife screen. Corrective Date: 11/26/2014

Paint

Condition

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
	Inadequate	Walls Insufficient	Base Insufficient	Inadequate

Corrective Action: Install berming to meet capacity requirements as outlined in COGCC rule 604.2.C.G. Corrective Date: 12/29/2014

Comment: No existing berming around fiberglass open top tank.

Venting:	
Yes/No	Comment

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

Predrill

Location ID: 214894

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:

Facility

Facility ID: 214894 Type: WELL API Number: 067-06498 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____ Date: _____

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: _____

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: **Heavy livestock activity/ grazing on well pad.**

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? **Fail** CM **Observed unused equipment on well site.**

CA **Remove equipment not in use or needed for future operations.** CA Date **12/29/2014**

Pit, cellars, rat holes and other bores closed? **Pass** CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? **Fail** CM **Observed one unmarked rig anchor.**

CA **Locate and mark all rig anchors** CA Date **12/29/2014**

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

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Inspector Name: Maclaren, Joe

Comment:

Overall Interim Reclamation In Process

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
				SR	Fail	Spill response not implemented.
				MHSP	Fail	Fuel cans require storage/spill prevention BMP's.
Compaction	Pass	Compaction	Pass	SI	Fail	Impliment self inspection in future operations.

S/A/V: **ALLEGED VIOLATION** Corrective Date: **11/26/2014**

Comment: **Violations were observed during field inspection in regard to COGCC rule 1002.f.2. (and others). Chemical containment full of fluid and without wildlife screening; Oil leaks and stained soils observed on and around equipment/ compressor skid; Fuel (Diesel/ others) cans observed being stored without proper spill prevention BMP's in place; Self inspection, maintenance and housekeeping procedures not completed.**

CA: **Remove fluid/ install wildlife screen on chemical containment; Store fuel/ oil containers using proper spill prevention BMP's (preferably covered) or remove from well pad; Properly remove and remediate stained soils/ gravel around all equipment on well pad. Perform routine self inspection, housekeeping and maintenance procedures.**

Pits: 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
674601268	Tiffany #1 Field Inspection Photo's	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3492978