

**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

DE	ET	OE	ES
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Inspection Date:  
11/25/2014Document Number:  
674900195

Overall Inspection:

**ACTION REQUIRED****FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	214893	325497	Hughes, Jim	<input type="checkbox"/>	

**Operator Information:**OGCC Operator Number: 25250Name of Operator: DUGAN PRODUCTION CORPAddress: P O BOX 420City: FARMINGTON State: NM Zip: 87499-

- ☒ 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
Maclaren, Joe		joe.maclaren@state.co.us	
Labowskie, Steve		steve.labowskie@state.co.us	
Fischer, Alex		alex.fischer@state.co.us	
Armenta, Bill	505-325-1821	billarmenta@duganproduction.com	SW Insp Reports
Alexander, John		john.alexander@duganproduction.com	
Smaka, Kevin	505-325-1821	kevin.smaka@duganproduction.com	

**Compliance Summary:**

QtrQtr:	SWSE	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	200107764	PR	PR	SATISFACTORY		Pass	No
10/14/2005	200080367	PR	PR	SATISFACTORY		Pass	No
12/03/2003	200050183	PR	PR	SATISFACTORY		Pass	No
10/25/2002	200032285	PR	PR	SATISFACTORY		Pass	No
03/27/2001	200016344	PR	PR	SATISFACTORY		Pass	No
12/22/1999	200003254	PR	PR	SATISFACTORY		Pass	No
09/28/1998	500148005	PR	PR			Pass	No
02/12/1997	500148004	PR	PR			Pass	No
06/23/1995	500148003	PR	PR				No

**Inspector Comment:**

On November 25, 2014 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Dugan Tiffany #2 at the request of the COGCC Field Inspection Group. For the most recent field inspection report, please refer to document #674601263.

**Related Facilities:**

Inspector Name: Hughes, Jim

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
214893	WELL	PR	06/23/1982	GW	067-06497	TIFFANY 2	EI	<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 Motors: _____	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	SATISFACTORY			

**Signs/Marker:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	ACTION REQUIRED	No labels or placard on fiberglass produced water tank near compressor.	Install sign to comply with rule 210.	12/29/2014
TANK LABELS/PLACARDS	ACTION REQUIRED	Chemical container near wellhead is not labelled.	Install sign to comply with rule 210.	12/29/2014
TANK LABELS/PLACARDS	ACTION REQUIRED	No labels or placard on fiberglass produced water tank.	Install sign to comply with rule 210.	12/29/2014

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

Corrective Date: 12/29/2014

Comment: Location sign does not provide emergency contact number

Corrective Action: Provide contact information on location sign per Rule 210.b.

**Good Housekeeping:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	ACTION REQUIRED	Fence panels, pipe fittings, hoses, etc. observed near compressor.	Remove unused/unnecessary equipment from location.	12/29/2014
TRASH	ACTION REQUIRED	Oil soaked rags around compressor.	Clean up saturated rags and dispose of properly.	12/29/2014

**Spills:**

Type	Area	Volume	Corrective action	CA Date
Produced Water	Separator	<= 5 bbls	Remove/remediate stained soil near separator drain valve. Stop future releases. Install spill prevention underneath valve.	12/03/2014
Lube Oil	Separator	<= 5 bbls	Remove/remediate impacted soil around compressor. Repair equipment to prevent future leaks.	12/03/2014

Inspector Name: Hughes, Jim

☒ Multiple Spills and Releases?**Fencing/:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	SATISFACTORY	Perimeter fence around fiberglass produced water tank near compressor.		
OTHER	SATISFACTORY	Perimeter fence around fiberglass produced water tank on north side of location.		

**Equipment:**

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Horizontal Heated Separator	1	ACTION REQUIRED	Stained soil near drain valve underneath separator.	Remove/remediate stained soil. Stop future releases. Install spill prevention device underneath drain valve.	12/03/2014
Compressor	1	ACTION REQUIRED	Equipment is leaking oil in various places. Multiple areas near compressor have stained soil.	Repair equipment to stop leaks. Remove/remediate stained soil around skid.	12/29/2014

**Facilities:**☐ New Tank

Tank ID: \_\_\_\_\_

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	OTHER	Open Top	37.026740,-107.574100
S/A/V:	ACTION REQUIRED		Comment:	Wildlife netting is in need of attention.
Corrective Action:	Repair wildlife netting to prevent any entry into tank.			Corrective Date: 12/03/2014

**Paint**

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

**Berms**

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

**Facilities:**☐ New Tank

Tank ID: \_\_\_\_\_

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	OTHER	Open Top	37.027290,-107.573880
S/A/V:	ACTION REQUIRED		Comment:	No labels or placards on fiberglass produced water tank.
Corrective Action:	Install labels and placard to comply with Rule 210.d			Corrective Date: 12/29/2014

**Paint**

Inspector Name: Hughes, Jim

Condition					
Other (Content)					
Other (Capacity)					
Other (Type)					
<b>Berms</b>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Corrective Action				Corrective Date	
Comment					

<b>Venting:</b>	
Yes/No	Comment

<b>Flaring:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 214893

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/A/V:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:****S/A/V:** \_\_\_\_\_ **Comment:** \_\_\_\_\_**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_**Wildlife BMPs:****S/A/V:** \_\_\_\_\_ **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: 214893 Type: WELL API Number: 067-06497 Status: PR Insp. Status: EI

**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:**

Inspector Name: Hughes, Jim

DWR Receipt Num: _____	Owner Name: _____	GPS : _____	Lat _____ Long _____
<b>Field Parameters:</b> _____			
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: _____	

  

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

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

Top soil replaced _____	Recontoured _____	80% Revegetation _____
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1003 f. Weeds Noxious weeds? _____	Comment: _____
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Overall Interim Reclamation _____	
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**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
Compaction	Pass	Culverts	Pass	MHSP	Fail	Chemical containers without spill prevention.
				MHSP	Fail	Lube oil containers without spill prevention.

S/A/V: **ACTION REQUIRED**Corrective Date: **12/03/2014**

Comment: Several containers near compressor including unlabelled lube oil drums, containers labelled "screw oil", etc. without spill prevention in place. In line filter from lube oil container is leaking and dripping onto the ground. Chemical injection container near well head does not have labels or secondary containment.

CA: Install secondary containment or spill prevention devices where applicable to prevent future releases.

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
674900196	Stained soil near separator drain valve.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495415">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495415</a>
674900197	Gas containers labelled screw oil.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495416">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495416</a>
674900198	Oil soaked rags and leaking equipment.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495417">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495417</a>

## **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.)