

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
----	----	----	----

Inspection Date:
11/25/2014

Document Number:
674900195

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

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

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 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	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

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)	_____				
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Corrective Action				Corrective Date	
Comment					

Venting:	
Yes/No	Comment

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

Predrill

Location ID: 214893

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: 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:

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

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: _____

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 _____

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
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.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495415
674900197	Gas containers labelled screw oil.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495416
674900198	Oil soaked rags and leaking equipment.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495417

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.)