

Inspector Name: Waldron, Emily

**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:
03/13/2015Document Number:
673401899

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	436006	436007	Waldron, Emily	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10450Name of Operator: EE3 LLCAddress: 4410 ARAPAHOE AVENUE #100City: BOULDER State: CO Zip: 80303

- ☒ 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
Neidel, Kris		kris.neidel@state.co.us	
Fischer, Alex		alex.fischer@state.co.us	
McClure, Rich		rmcclure@ee3llc.com	
Kellerby, Shaun		shaun.kellerby@state.co.us	
Ashby, Andy		aashby@ee3llc.com	

Compliance Summary:QtrQtr: NENW Sec: 32 Twp: 8N Range: 80W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
09/12/2014	673401107	DG	WK	ACTION REQUIRED			No
07/30/2014	673400947	XX	DG	ACTION REQUIRED			No
07/24/2014	673400878	XX	DG	ACTION REQUIRED			No

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
436006	WELL	WO	07/16/2014	OW	057-06523	Grizzly 3-32H	PR	<input checked="" type="checkbox"/>

Equipment:Location Inventory

Special Purpose Pits: <u>1</u>	Drilling Pits: <u> </u>	Wells: <u>1</u>	Production Pits: <u> </u>
Condensate Tanks: <u> </u>	Water Tanks: <u>2</u>	Separators: <u>2</u>	Electric Motors: <u>2</u>
Gas or Diesel Mortors: <u> </u>	Cavity Pumps: <u> </u>	LACT Unit: <u> </u>	Pump Jacks: <u>2</u>
Electric Generators: <u> </u>	Gas Pipeline: <u> </u>	Oil Pipeline: <u> </u>	Water Pipeline: <u> </u>
Gas Compressors: <u> </u>	VOC Combustor: <u> </u>	Oil Tanks: <u>8</u>	Dehydrator Units: <u> </u>
Multi-Well Pits: <u> </u>	Pigging Station: <u> </u>	Flare: <u>1</u>	Fuel Tanks: <u> </u>

Location**Signs/Marker:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			
WELLHEAD	SATISFACTORY			

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

Corrective Date: _____

Comment: 720-387-7000

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	Treater	> 5 bbls	Green, oily fluid observed in pump house. Free product observed outside of pump house berm and on top of berm. Submit a Form 19 detailing release and prevent future spills.	03/10/2015

☐ Multiple Spills and Releases?**Facilities:**☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	2	400 BBLS	STEEL AST	,
S/A/V: SATISFACTORY	Comment: _____			
Corrective Action:	_____			Corrective Date: _____

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate			Inadequate
Corrective Action	Remove all fluid and contaminated soils. Prevent future leaks and spills. Ensure all valves, pipes and fittings are securely fastened, inspected at regular intervals and maintained in good mechanical condition.			Corrective Date 03/10/2015
Comment	Tanks and pump house are in same berm. Stained soil and some fluid observed inside berm, on top of berm, and just outside of the berm.			

Facilities:☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	4	400 BBLS	STEEL AST	,
S/A/V: SATISFACTORY	Comment: _____			
Corrective Action:	_____			Corrective Date: _____

Paint

Condition	Adequate
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Other (Content) _____

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Other (Capacity) _____

Other (Type) _____

Berms

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

Corrective Action	Remove all fluid and contaminated soils. Prevent future leaks and spills. Ensure all valves, pipes and fittings are securely fastened, inspected at regular intervals and maintained in good mechanical condition.	Corrective Date	03/10/2015
Comment	Tanks and pump house are in same berm. Stained soil and some fluid observed inside berm, on top of berm, and just outside of the berm.		

Venting:

Yes/No	Comment
NO	

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Ignitor/Combustor	SATISFACTORY			

Predrill

Location ID: 436006

Site Preparation:

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

S/AV: _____

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkd	<p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.</p> <p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations (as described in and shown on the Proposed BMPs attachment); including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner or equivalent protection) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks; or other chemical storage tanks.</p>	01/16/2014

OGLA	kubeczkd	<p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p> <p>As required for Groundwater Baseline Sampling; Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.</p>	01/16/2014
Permit	freemans	Rule 317.o Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Form 5 for every well on the pad shall identify which well was logged.	01/02/2014
OGLA	kubeczkd	<p>A closed loop system (which operator has indicated on the Form 2A) must be implemented during drilling.</p> <p>The moisture content of any cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) located on the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p>	01/16/2014

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

On 3/10/2015 it was witness by COGCC staff that a volume of soil, estimated to be 80-100 cubic yards of oily soil was added to the cuttings management area. Oil was observed seeping from the soil and pooling at foot of pile. The pile should be monitored for free product and any fluids removed upon discovery. E&P waste not associated with the cuttings disposal shall be properly be disposed at an approved facility. It was also observed that cuttings berms and location perimeter berms have not been inspected or maintained since inspection on 2/11/2015. Waddles at the access road have been overwhelmed and do not appear to have been maintained since 2/11/2015 inspection; sediment observed entering roadside ditch and being transported off location. The berm around the tank battery has product on top and outside of it.

CA:

The prohibited addition of Exploration and Production waste (E&P waste) has reclassified this pile from cuttings, to E&P waste and disposal of pile should be guided by 907 rules. Previously approved; method of disposal of cuttings, from form 2A, is no longer permissible for the pile identified and discussed herein. EE3 staff should dispose of soil in a manner that complies with COGCC 907 rules. Documentation of disposal method should be provided as part of return to compliance.

Date:

03/10/2015

Wildlife BMPs:

BMP Type	Comment
Storm Water/Erosion Control	EE3 will implement a storm water and erosion plan to prevent sedimentation and erosion in the nearby wetlands.
Wildlife	<p>1. Use hospital grade mufflers for compressors, pump jacks, or other motors necessary to run operations at the site. Mufflers will be pointed upward to dissipate potential vibration.</p> <p>2. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.</p>

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

COGCC staff observed that cuttings berms and location perimeter berms have not been inspected or maintained since inspection on 2/11/2015. Waddles at the access road have been overwhelmed and do not appear to have been maintained since 2/11/2015 inspection; sediment observed entering roadside ditch and being transported off location. The berm around the tank battery has product on top and outside of it.

CA:

Maintain stormwater and erosion BMPs to prevent migration of stormwater and sediment off of location and into surrounding sensitive areas.

Date:

03/10/2015

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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: 436006 Type: WELL API Number: 057-06523 Status: WO Insp. Status: PR

Producing Well

Comment: _____

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: HAY MEADOW, OTHER

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 REVEGETATIONCropland

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: HAY MEADOW, OTHER

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 _____

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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
Culverts	Fail					
		Waddles	Fail			
Gravel	Pass					
		Culverts	Fail			
Berms	Fail					
Waddles	Fail					
		Compaction	Pass			
Compaction	Pass					

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

Corrective Date: **03/10/2015**

Comment: No stormwater improvements or maintenance observed since 2/11/2015 inspection. Waddles at entrance have fallen into culverts and blocked culverts. Free product observed floating in pooled water on location, perimeter berm still not continuous or compacted.

CA: Immediately install or maintain stormwater BMPs to prevent migration of stormwater or sediment off of location and into sensitive surrounding areas.

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
What is horsepower of pump located in tank battery berm? Please provide written documentation of pump horsepower and distance from pump to nearest tank to COGCC staff via Form 4 by March 17, 2015.	waldrone	03/13/2015
Inspector on location with COGCC environmental staff to conduct joint inspection. No corrective actions from inspection conducted 2/11/2015 (document number 673401785) appear to have been performed. Inspection is being referred for further enforcement.	waldrone	03/13/2015

Attached Documents

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

Document Num	Description	URL
673401901	Inspection Photos 3102015	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568864

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.)