

FORM INSP
Rev 05/11

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

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



| | | | |
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| DE | ET | OE | ES |
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Inspection Date:
01/03/2012

Document Number:
662300084

Overall Inspection:
Unsatisfactory

FIELD INSPECTION FORM

| | | | | |
|---------------------|---------------|---------------|---------------|-------------------------------------|
| Location Identifier | Facility ID | Loc ID | Tracking Type | Inspector Name: <u>NEIDEL, KRIS</u> |
| | <u>212231</u> | <u>324639</u> | | |

Operator Information:

OGCC Operator Number: 24461 Name of Operator: DIVERSIFIED OPERATING CORPORATION
 Address: 15000 W 6TH AVE STE 102
 City: GOLDEN State: CO Zip: 80401

Contact Information:

Compliance Summary:

QtrQtr: SENE Sec: 30 Twp: 10N Range: 79W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 07/13/2000 | 200007924 | PR | PR | S | | P | N |
| 09/08/1994 | 500143898 | | PR | | | P | N |
| 08/19/1998 | 500143900 | PR | PR | | | P | N |
| 06/13/2011 | 200317702 | PR | PR | U | | | Y |
| 08/06/1999 | 500143901 | PR | PR | | | P | N |
| 08/13/1996 | 500143899 | PR | PR | | | F | Y |
| 08/15/2002 | 200030625 | PR | PR | S | | P | N |
| 12/02/2010 | 200285540 | PR | PR | U | | | Y |
| 05/22/2007 | 200115737 | PR | PR | U | | F | Y |

Inspector Comment:

sessions and sons water truck is on location sucking an unknown quantity of oil off of pit. There is a partially buried tank installed for produced water. It is unknown by inspector why pit is still in use if there is a tank. Oil removal is underway. Operator should prevent oil/water from entering the pit and consult with COGCC environmental to close pit.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name |
|-------------|------|--------|-------------|------------|-----------|---------------|
| 212231 | WELL | PR | 12/27/2005 | OW | 057-06124 | ALLARD 30-8-5 |

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

| Signs/Marker: | | | | |
|----------------------|-----------------------------|--|---|------------|
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| TANK LABELS/PLACARDS | Unsatisfactory | improper labels on tanks, all 3 tanks. | Install sign to comply with rule 210.b. | 03/02/2012 |

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

Comment: _____

Corrective Action: _____

| Spills: | | | | |
|--|------|--------|-------------------|---------|
| Type | Area | Volume | Corrective action | CA Date |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

| Equipment: | | | | | |
|---------------------------|---|-----------------------------|---------------------------|---------------------------|------------|
| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| Vertical Heated Separator | 1 | Satisfactory | | | |
| Pump Jack | 1 | Unsatisfactory | gas leaking at casinghead | replace/repair casinghead | 07/01/2012 |

Tanks/Berms: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS | |
|---------------------|----------------|----------|----------------|------------------|-------|
| PRODUCED WATER | 1 | 200 BBLS | PBV FIBERGLASS | , | |
| S/U/V: Satisfactory | Comment: _____ | | | | |
| Corrective Action: | _____ | | | Corrective Date: | _____ |

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

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 | _____ | | | | |

| | | | | | |
|---------------------|---|-----------------------------------|---------------------|------------------|--|
| Tanks/Berms: | | <input type="checkbox"/> New Tank | Tank ID: _____ | | |
| Contents | # | Capacity | Type | SE GPS | |
| CRUDE OIL | 2 | 300 BBLS | STEEL AST | , | |
| S/U/V: | Satisfactory | Comment: | | | |
| Corrective Action: | | | | Corrective Date: | |
| Paint | | | | | |
| Condition | Adequate | | | | |
| 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 | | | | | |
| Venting: | | | | | |
| Yes/No | Comment | | | | |
| YES | gas is venting from produced water tank, is form 4 on file for venting. | | | | |
| Flaring: | | | | | |
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date | |
| | | | | | |

Predrill

Location ID: 324639

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____
Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Wildlife BMPs:

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: _____ 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: _____

- 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 _____

Inspector Name: NEIDEL, KRIS

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

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

S/U/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits:

Pit Type: Skimming/Settling Lined: NO Pit ID: _____ Lat: _____ Long: _____

Lining:
 Liner Type: _____ Liner Condition: Inadequate
 Comment: no liner

Fencing:
 Fencing Type: Livestock Fencing Condition: Adequate
 Comment: _____

Netting:
 Netting Type: _____ Netting Condition: _____
 Comment: no net

Anchor Trench Present: _____ Oil Accumulation: YES 2+ feet Freeboard: _____

Pit (S/U/V): Violation Comment: Operator should prevent oil/water from entering the pit and consult with COGCC environmental to close pit.

Corrective Action: Operator should prevent oil/water from entering the pit and consult with COGCC environmental to close pit. Date: **04/01/2012**