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| 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 |  | DE ET OE ES |
|-------------------------------|--|--|-------------|

Inspection Date:
01/19/2012

Document Number:
663900423

Overall Inspection:
Satisfactory

| | | | | |
|---------------------|---------------|---------------|---------------|-------------------------------------|
| Location Identifier | Facility ID | Loc ID | Tracking Type | Inspector Name: <u>QUINT, CRAIG</u> |
| | <u>208165</u> | <u>321837</u> | | |

Operator Information:

OGCC Operator Number: 61250 Name of Operator: MULL DRILLING COMPANY INC

Address: 1700 N WATERFRONT PKWY B#1200

City: WICHITA State: KS Zip: 67206-

Contact Information:

| Contact Name | Phone | Email | Comment |
|---------------|------------------|---------------------------|-------------------|
| Smalley, Carl | 719-767-8805 off | csmalley@mulldrilling.com | 719-342-1812 cell |

Compliance Summary:

QtrQtr: E2SW Sec: 32 Twp: 13S Range: 42W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 09/22/2011 | 200322178 | PR | PR | S | | | N |
| 08/11/2011 | 200317838 | PR | SI | U | | | N |
| 03/02/2010 | 200234730 | PR | PR | S | | | N |
| 09/26/2008 | 200196066 | PR | PR | S | | | N |
| 12/27/2006 | 200101795 | PR | PR | S | | P | N |
| 07/18/2006 | 200094510 | PR | PR | S | | P | N |
| 05/15/2001 | 200019592 | PR | PR | S | I | P | N |
| 06/14/1999 | 873150 | PR | PR | S | | P | N |
| 10/02/1997 | 500140089 | PR | PR | | | P | N |
| 04/23/1996 | 500140088 | PR | PR | | | P | N |
| 05/26/1995 | 500140087 | PR | PR | | | P | N |
| 12/03/1993 | 500140086 | | PR | | | P | N |

Inspector Comment:

NWAU #4 CENTRAL TANK BATTERY 1800` SW

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name |
|-------------|------|--------|-------------|------------|-----------|---|
| 208165 | WELL | PR | 08/22/2006 | OW | 017-07100 | NW ARAPAHOE UNIT 16 <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/Unsatisfactory | comment | Corrective Action | Date |
|--------|-----------------------------|---------------------------------------|-------------------|------|
| Access | Satisfactory | ELEVATED GRAVEL ROAD THROUGH PASTURE. | | |

Signs/Marker:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|----------|-----------------------------|---------------------|-------------------|---------|
| WELLHEAD | Satisfactory | LEASE SIGN BY WELL. | | |
| OTHER | Satisfactory | H2S SIGN BY UNIT. | | |

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? | | | | |

Fencing/:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|----------|-----------------------------|---|-------------------|---------|
| WELLHEAD | Satisfactory | STEEL PANELS AROUND ALL WELLHEAD EQUIPMENT. | | |

Equipment:

| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|---------------------|---|-----------------------------|---|---------------------|------------|
| Pump Jack | 1 | Unsatisfactory | 456 CMI (DOWN FOR REPAIRS) | REPAIR | 04/19/2012 |
| Prime Mover | 1 | Satisfactory | M&M GAS ENGINE | | |
| Ancillary equipment | 6 | Unsatisfactory | CATHOTIC GENERATOR, CATHOTIC RECTIFIER, GAS SCRUBBER, DAY TANK, ENGINE SHED, CHEMICAL TANK WITHOUT CONTAINMENT. | INSTALL CONTAINMENT | 04/19/2012 |

| | |
|-----------------|---------|
| Venting: | |
| Yes/No | Comment |
| | |

| | | | | |
|-----------------|-----------------------------|---------|-------------------|---------|
| Flaring: | | | | |
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| | | | | |

| | |
|--|--------------------------------------|
| Predrill | |
| Location ID: <u>321837</u> | |
| 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): | |
| <u>Surface Owner Contact Information:</u> | |
| Name: _____ | Address: _____ |
| Phone Number: _____ | Cell Phone: _____ |
| <u>Operator Rep. Contact Information:</u> | |
| Landman Name: _____ | Phone Number: _____ |
| Date Onsite Request Received: _____ | Date of Rule 306 Consultation: _____ |
| Request LGD Attendance: _____ | |
| <u>LGD Contact Information:</u> | |
| Name: _____ | Phone Number: _____ |
| | Agreed to Attend: _____ |
| <u>Summary of Landowner Issues:</u> | |
| | |
| <u>Summary of Operator Response to Landowner Issues:</u> | |
| | |
| <u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u> | |
| | |

| | | | | |
|----------------------------|------------------------------|-------------------|-------------------------|--|
| Well | | | | |
| Facility ID: <u>208165</u> | API Number: <u>017-07100</u> | Status: <u>PR</u> | Insp. Status: <u>SI</u> | |

| | | |
|-----------------------------------|------------------------------|-------------------------------|
| 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? Pass CM _____
CA _____ CA Date _____
- Waste Material Onsite? Pass CM _____
CA _____ CA Date _____
- Unused or unneeded equipment onsite? Pass CM _____
CA _____ CA Date _____
- 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? _____ CM _____
CA _____ CA Date _____

1003b. Area no longer in use? Pass Production areas stabilized ? Pass

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? Pass

Production areas have been stabilized? Pass Segregated soils have been replaced? Pass

RESTORATION AND REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced Pass Recontoured Pass 80% Revegetation Pass

1003 f. Weeds Noxious weeds? _____ P _____

Comment: UNUSED AREAS OF THE LOCATION ARE PASTURE GRASS.

Overall Interim Reclamation Pass

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

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Gravel | Pass | Gravel | Pass | MHSP | Fail | |

S/U/V: Unsatisfactory Corrective Date: 04/19/2012

Comment: CHEMICAL TANK WITHOUT CONTAINMENT

CA: INSTALL CONTAINMENT