

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
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Inspection Date: <p style="text-align: center;"><u>02/27/2012</u></p> Document Number: <p style="text-align: center;"><u>663900669</u></p> Overall Inspection: <p style="text-align: center;"><u>Satisfactory</u></p>
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Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: <u>QUINT, CRAIG</u>
	<u>212573</u>	<u>324785</u>		

Operator Information:

OGCC Operator Number: 10017 Name of Operator: CHACO ENERGY COMPANY

Address: P O BOX 1587

City: DENVER State: CO Zip: 80201

Contact Information:

Contact Name	Phone	Email	Comment
Nelson, Alan	(405)942-3751	chaco@swbell.net	Production Manager
Nelson, Kurt	(303)744-2034	kurt@chacoenergy.com	President

Compliance Summary:

QtrQtr: SENW Sec: 16 Twp: 20S Range: 48W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
05/18/2010	200250562	PR	PR	S			N
08/20/2008	200194115	PR	PR	S			N
01/22/2007	200103032	PR	PR	S		P	N
03/17/2000	200005283	PR	PR	S	I	P	N
02/21/1997	500144376	PR	PR			F	Y
12/07/1995	500144375	PR	PR			P	Y
11/15/1994	500144374		PR				

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
212573	WELL	PR	07/01/2003	GW	061-05024	STATE 1-16	<input checked="" type="checkbox"/>
324785	LOCATION	AC	04/14/2009		-	STATE-620S48W 16SENW	<input 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	2 TRACK THROUGH PASTURE, COULD USE SOME MAINTENANCE.		

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	Satisfactory	STICKERS ON TANK		
BATTERY	Satisfactory	LEASE SIGN MOUNTED ON BATTERY FENCE.		

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

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WEEDS	Unsatisfactory	TANK, SEPARATOR AND WELLHEAD AREAS BLOWN IN WITH WEEDS.	REMOVE WEEDS	05/27/2012

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

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
SEPARATOR	Satisfactory	STEEL PANELS AROUND SEPARATOR		
WELLHEAD	Satisfactory	STEEL PANELS AROUND WELLHEAD		
OTHER	Satisfactory	STEEL PIPE AROUND GMR AND PIPELINE GATHERING RISER.		
TANK BATTERY	Satisfactory	TANK FENCED W/WIRE		

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Horizontal Heated Separator	1	Satisfactory			
Gathering Line	1	Satisfactory	PIPE LINE GATHERING RISER BY ROAD		
Ancillary equipment	1	Unsatisfactory	METHANOL TANK W/O CONTAINMENT	REMOVE TANK OR INSTALL CONTAINMENT	05/27/2012
Gas Meter Run	1	Satisfactory			

Plunger Lift	1	Satisfactory		
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Tanks/Berms: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CONDENSATE	1	<100 BBLS	STEEL AST	38.319350,-102.795520

S/U/V: Satisfactory Comment: FADED WHITE 90BBL TANK

Corrective Action: _____ Corrective Date: _____

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 _____

Venting:

Yes/No _____ Comment _____

NO _____

Flaring:

Type _____ Satisfactory/Unsatisfactory _____ Comment _____ Corrective Action _____ CA Date _____

Predrill

Location ID: 324785

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:

Well

Facility ID: 212573 API Number: 061-05024 Status: PR Insp. Status: PR

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: _____

Inspector Name: QUINT, CRAIG

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
Other	Pass	Compaction	Pass	MHSP	Fail	

S/U/V: Unsatisfactory Corrective Date: 05/27/2012

Comment: METHANOL TANK WITHOUT CONTAINMENT

CA: REMOVE TANK OR INSTALL CONTAINMENT