

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
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Inspection Date: 05/03/2012

Document Number: 664000538

Overall Inspection: **Unsatisfactory**

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: <u>LEONARD, MIKE</u>
	<u>426030</u>	<u>426029</u>		

Operator Information:

OGCC Operator Number: 10234 Name of Operator: BAYHORSE PETROLEUM LLC

Address: 2558 E PORTSMOUTH AVE

City: SALT LAKE CITY State: UT Zip: 84121

Contact Information:

Contact Name	Phone	Email	Comment
Kliesen, Bob		kliesen@esrta.com	
Vaughn, Rod	(435) 237-1169	rlvaughn47@gmail.com	CEO

Compliance Summary:

QtrQtr: SWSE Sec: 21 Twp: 18S Range: 47W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
11/01/2011	664000086	XX	DG	S			N

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
426030	WELL	PR	11/22/2011		061-06865	TRADE WINDS 2-21	<input checked="" type="checkbox"/>

Equipment: Location Inventory

Special Purpose Pits: _____	Drilling Pits: <u>3</u>	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>1</u>	Separators: <u>1</u>	Electric Motors: _____
Gas or Diesel Mortors: <u>1</u>	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: <u>1</u>
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: <u>2</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Lease Road:

Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Main	Unsatisfactory	IS ONLY COMPACTED SAND	NEED TO STABILZE TO PREENT WIND EROSION	05/31/2012

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
OTHER	Satisfactory	H2S SAFETY SIGNS IN PLACE AT LEASE ENTRANCE		
WELLHEAD	Satisfactory			
TANK LABELS/PLACARDS	Unsatisfactory	NO LABELS ON TREATER	Install sign to comply with rule 210.b.	05/31/2012

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

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
STORAGE OF SUPL	Unsatisfactory	FITTING FROM BATTERY CONSTRUCTION LEFT ON LEASE	REMOVE EXTRA FITTINGS	05/31/2012

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

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Flare	1	Satisfactory			
Prime Mover	1	Satisfactory	NATURAL GAS ENGINE		
Veritcal Heater Treater	1	Unsatisfactory	NO BERMS	INSTALL BERMS AROUND TREATER	05/31/2012
Pump Jack	1	Satisfactory	STANDARD		

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLs	FIBERGLASS AST	

S/U/V: _____ Comment: SAME BERMS AS OIL TANKS

Corrective Action: _____ Corrective Date: _____

Paint

Condition: _____

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action: _____ Corrective Date: _____

Comment: _____

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2	400 BBLS	FIBERGLASS AST	38.470710,-102.682710
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			
Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Field Flare	Satisfactory			

Predrill

Location ID: 426029

Site Preparation:

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

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	koepsear	<p>In accordance with Rule 607.c., operator shall provide notice of any gas analysis indicating the presence of hydrogen sulfide on the proposed location including pipelines, production equipment and tanks. Submit notices to COGCC's area engineer, Dirk Sutphin, at dirk.sutphin@state.co.us and local government designee, Debra Lening at kiowaclerk@hotmail.com as follows:</p> <p>1) Reporting of the presence of H2S in concentrations less than 10 parts per million (PPM) shall be done via verbal and email notices. Verbal notice with a follow up email shall be provided as soon as practicable upon detection of H2S to COGCC's area engineer and the local government designee.</p> <p>2) All verbal and email notices shall include all of the following information:</p> <p>a) Well or Facility name,</p> <p>b) API Number or COGCC Facility Number,</p> <p>c) H2S concentration in PPM,</p>	10/12/2011

d)Date sample or measurement was collected,

e)Type of measurement or analysis (e.g., gas analysis, meter measurement, or colorimetric tube), and

f)Description of sample point.

3) Sundry Notices are required for H2S concentrations equal to or exceeding 10 PPM. Only one H2S Sundry Notice Form 4 is required per well or location following the initial H2S detection, which exceeds 10 parts per million (PPM). Subsequent H2S reporting shall be done on an annual basis and be submitted not later than January 31 for all measurements or sampling events during the prior calendar year.

4) Subsequent annual reports shall be provided in a spreadsheet and submitted to the COGCC's area engineer and/or COGCC's engineering supervisor via email.

5) Sundry Notices and annual report spreadsheets shall provide all of the following information:

a)Well or Facility name

b)API Number or COGCC Facility Number

c)H2S concentration in PPM

d)Date sample or measurement was collected

e)Type of measurement or analysis (e.g., gas analysis, meter measurement, or colorimetric tube)

f)Description of sample point

g)Absolute Open Flow Potential in cubic feet per day (CFPD) at the H2S source(s).

h)If flow is not open to the atmosphere, then state that the source is not flowing and include a description of the potential for atmospheric release and duration in which the container or pipeline would likely be opened for servicing operations.

i)Distance to the nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent.

j)Distance to the nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use.

If the operator can reasonably expect hydrogen sulfide at or above 100 parts per million (ppm) to be present on the location the operator shall follow all reporting requirements above and file a hydrogen sulfide drilling operations plan (United States Department of the Interior, Bureau of Land Management, Onshore Order No. 6, November 23, 1990) with the COGCC prior to spudding the well as described in COGCC rule 607.a.

Comment:

CA:

Date: _____

Wildlife BMPs:

Comment:

CA: _____ Date: _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: _____
 Other BMPs: _____

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: 426030 API Number: 061-06865 Status: PR Insp. Status: PR

Producing Well

Comment: PRODUCING

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: RANGELAND

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? Fail CM _____

CA CLOSE DRILLING PIT CA Date 05/31/2012

Guy line anchors removed? Pass CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

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

1003c. Compacted areas have been cross ripped? Fail

1003d. Drilling pit closed? Fail 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? Fail

Production areas have been stabilized? Fail 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: NEED TO STABILIZE PRODUCTION AREAS TO PREVENT WIND EROSION. START BRINGING LOCATIO IN

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND

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
	Fail		Fail	MHSP	Fail	

S/U/V: **Unsatisfactory** Corrective Date: **05/31/2012**

Comment: _____

CA: **NEED TO STABILZE LEASE ROAD AND LOCATION TO PREVENT WIND EROSION. INSTALL CONTAINMENT UNDER CHEMICAL TANK AND LUBE OIL BARREL AT WELLHEAD**

Pits:

Pit Type: Drilling Pit Lined: NO Pit ID: _____ Lat: 38.470890 Long: -102.681690

Lining:

Liner Type: _____ Liner Condition: _____
 Comment: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____
 Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____
 Comment: _____

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

Pit (S/U/V): **Unsatisfactory** Comment: **PIT STILL OPEN**

Corrective Action: **CLOSE PIT** Date: **05/31/2012**