

|                               |  |  |             |
|-------------------------------|--|--|-------------|
| <b>FORM INSP</b><br>Rev 05/11 | <b>State of Colorado</b><br><b>Oil and Gas Conservation Commission</b><br>1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109 |  | DE ET OE ES |
|-------------------------------|--|--|-------------|

Inspection Date: 07/16/2013

Document Number: 668300544

Overall Inspection: **Unsatisfactory**

**FIELD INSPECTION FORM**

|                     |               |               |                         |   |                   |
|---------------------|---------------|---------------|-------------------------|---|-------------------|
| Location Identifier | Facility ID   | Loc ID        | Inspector Name:         | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ |
|                     | <u>204888</u> | <u>320774</u> | <u>JOHNSON, RANDELL</u> |   |                   |

**Operator Information:**

OGCC Operator Number: 46290 Name of Operator: K P KAUFFMAN COMPANY INC

Address: 1675 BROADWAY, STE 2800

City: DENVER State: CO Zip: 80202

**Contact Information:**

| Contact Name      | Phone        | Email             | Comment                     |
|-------------------|--------------|-------------------|-----------------------------|
| Lara-Mesa, Susana | 303-825-4822 | slaramesa@kpk.com | Engineering Project Manager |
| Gilbert, Kent     | 303-825-4822 | kgilbert@kpk.com  | VP Exploration & Production |

**Compliance Summary:**

QtrQtr: NESW Sec: 32 Twp: 4S Range: 63W

| Insp. Date | Doc Num   | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 12/15/2005 | 200082413 | PR         | PR          | U                            |          | F              | N               |
| 08/19/1998 | 500134808 | ID         | SI          |                              |          | F              | Y               |

**Inspector Comment:**

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**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name        |                                     |
|-------------|------|--------|-------------|------------|-----------|----------------------|-------------------------------------|
| 204888      | WELL | PR     | 08/17/1990  | OW         | 005-06973 | SIERRA-MITCHELL 32-3 | <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**

**Signs/Marker:**

| Type                 | Satisfactory/Unsatisfactory | Comment  | Corrective Action                       | CA Date    |
|----------------------|-----------------------------|--|---|------------|
| BATTERY              | Satisfactory                |  |   |            |
| TANK LABELS/PLACARDS | Unsatisfactory              | Produced water tank does not have the required NFPA placarding | Install sign to comply with rule 210.d. | 08/16/2013 |

|          |                |  |   |            |
|----------|----------------|--|---|------------|
| WELLHEAD | Unsatisfactory | Wellhead does not have the required operator name, well name, well location or emergency contact information signage | Install sign to comply with rule 210.d. | 08/16/2013 |
|----------|----------------|--|---|------------|

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

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

**Spills:**

| Type     | Area      | Volume    | Corrective action  | CA Date    |
|----------|-----------|-----------|--|------------|
| Lube Oil | Pump Jack | <= 5 bbls | Repair and prevent spills from pump jack motor/Remove or remediate oil-contaminated soil | 08/16/2013 |

Multiple Spills and Releases?

**Fencing/:**

| Type      | Satisfactory/Unsatisfactory | Comment            | Corrective Action | CA Date |
|-----------|-----------------------------|--------------------|-------------------|---------|
| PUMP JACK | Satisfactory                | Angle-iron fencing |                   |         |

**Equipment:**

| Type                        | # | Satisfactory/Unsatisfactory | Comment  | Corrective Action | CA Date |
|-----------------------------|---|-----------------------------|--|-------------------|---------|
| Bird Protectors             | 1 | Satisfactory                | Heated separator/SE corner of berm around separator 39.65711, -104.46512 |                   |         |
| Horizontal Heated Separator | 1 | Satisfactory                | SE corner of berm around separator 39.65711, -104.46512                  |                   |         |
| Pump Jack                   | 1 |                             | SE corner of wellhead and pump jack 39.65651, -104.46533                 |                   |         |
| Gas Meter Run               | 1 | Satisfactory                | SE corner of meter run 39.65697, -104.46521                              |                   |         |
| Prime Mover                 | 1 |                             | SE corner of wellhead and pump jack 39.65651, -104.46533                 |                   |         |

|                    |   |                                   |                     |                       |
|--------------------|---|-----------------------------------|---------------------|-----------------------|
| <b>Facilities:</b> |   | <input type="checkbox"/> New Tank | Tank ID: _____      |                       |
| Contents           | #   | Capacity                          | Type                | SE GPS                |
| PRODUCED WATER     | 1   | <100 BBLS                         | PBV FIBERGLASS      | 39.657150,-104.465100 |
| S/U/V:             | Comment: 50 bbls - Located inside same berm as crude oil tank |                                   |                     |                       |
| Corrective Action: |   |                                   |                     | Corrective Date:      |
| <u>Paint</u>       |   |                                   |                     |                       |
| Condition          |   |                                   |                     |                       |
| Other (Content)    | _____   |                                   |                     |                       |
| Other (Capacity)   | _____   |                                   |                     |                       |
| Other (Type)       | _____   |                                   |                     |                       |
| <u>Berms</u>       |   |                                   |                     |                       |
| Type               | Capacity  | Permeability (Wall)               | Permeability (Base) | Maintenance           |
| Earth              | Adequate  | Walls Sufficient                  | Base Sufficient     | Adequate              |
| Corrective Action  |   |                                   |                     | Corrective Date       |
| Comment            |   |                                   |                     |                       |

|                    |          |                                   |                     |                       |
|--------------------|----------|-----------------------------------|---------------------|-----------------------|
| <b>Facilities:</b> |          | <input type="checkbox"/> New Tank | Tank ID: _____      |                       |
| Contents           | #        | Capacity                          | Type                | SE GPS                |
| CRUDE OIL          | 1        | 400 BBLS                          | STEEL AST           | 39.657150,-104.465100 |
| S/U/V:             | Comment: |                                   |                     |                       |
| Corrective Action: |          |                                   |                     | Corrective Date:      |
| <u>Paint</u>       |          |                                   |                     |                       |
| Condition          |          |                                   |                     |                       |
| Other (Content)    | _____    |                                   |                     |                       |
| Other (Capacity)   | _____    |                                   |                     |                       |
| Other (Type)       | _____    |                                   |                     |                       |
| <u>Berms</u>       |          |                                   |                     |                       |
| Type               | Capacity | Permeability (Wall)               | Permeability (Base) | Maintenance           |
| Earth              | Adequate | Walls Sufficient                  | Base Sufficient     | Adequate              |
| Corrective Action  |          |                                   |                     | Corrective Date       |
| Comment            |          |                                   |                     |                       |

|                 |         |
|-----------------|---------|
| <b>Venting:</b> |         |
| Yes/No          | Comment |
| NO              |         |

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

**Predrill**

Location ID: 320774

**Site Preparation:**

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

**Form 2A COAs:**

**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: 204888 Type: WELL API Number: 005-06973 Status: PR Insp. Status: PR

**Producing Well**

Comment: 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:** \_\_\_\_\_ Lat \_\_\_\_\_ Long \_\_\_\_\_  
 DWR Receipt Num: \_\_\_\_\_ Owner Name: \_\_\_\_\_ GPS : \_\_\_\_\_

**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? Pass CM \_\_\_\_\_  
 CA \_\_\_\_\_ CA Date \_\_\_\_\_

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

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? 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? \_\_\_\_\_ P \_\_\_\_\_

Comment: \_\_\_\_\_

Overall Interim Reclamation \_\_\_\_\_ Fail \_\_\_\_\_

**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 \_\_\_\_\_ Multi-Well Location

| <b>Storm Water:</b> |                 |                         |                       |               |                          |            |
|---------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|------------|
| Loc Erosion BMPs    | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment    |
| Gravel              | Fail            | Gravel                  | Pass                  |               |                          |            |
| Other               | Fail            | Other                   | Pass                  |               |                          | Vegetation |
| Compaction          | Fail            | Compaction              | Pass                  |               |                          |            |

S/U/V: **Unsatisfactory** Corrective Date: **08/16/2013**

Comment: **Erosion on location**

CA: **Repair and prevent erosion on location**