

Inspector Name: Sherman, Susan

**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 |
|----|----|----|----|
|----|----|----|----|

Inspection Date:

01/22/2014

Document Number:

673700932

Overall Inspection:

Unsatisfactory**FIELD INSPECTION FORM**

| | | | | |
|---------------------|-------------|--------|-----------------|--|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection |
| | 237656 | 317274 | Sherman, Susan | <input type="checkbox"/> 2A Doc Num: _____ |

Operator Information:

OGCC Operator Number:

Name of Operator: DIAMOND OPERATING, INC.

Address: 6666 GUNPARK DR STE #200

City: BOULDER State: CO Zip: 80301

- ☐ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED
- ☐ INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

| Contact Name | Phone | Email | Comment |
|----------------|----------------|--------------------------|---------|
| Peterson, Dave | (303) 949-4420 | davep@flatironenergy.com | |

Compliance Summary:

QtrQtr: SENE Sec: 20 Twp: 2S Range: 53W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 11/16/2012 | 663300776 | PR | PR | Unsatisfactory | | | No |
| 10/06/2010 | 200277633 | SR | PR | Satisfactory | I | | No |
| 08/12/2010 | 200272028 | PR | PR | Unsatisfactory | | | Yes |
| 11/01/2007 | 200121561 | PR | PR | Satisfactory | | | No |
| 10/15/1998 | 500159851 | ES | PR | | | Pass | No |
| 05/13/1996 | 500159850 | PR | PR | | | Pass | No |
| 12/05/1995 | 500159849 | PR | PR | | | Pass | No |
| 09/20/1995 | 500159848 | PR | PR | | | Fail | Yes |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|-------------------------------------|
| 237656 | WELL | PR | 02/28/1985 | OW | 121-10159 | IDEA 1 | PR | <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 Motors: _____ | 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 | | | |
| CONTAINERS | Satisfactory | | | |
| TANK LABELS/PLACARDS | Satisfactory | | | |
| WELLHEAD | Satisfactory | | | |

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 | Remove and remediate stained soils at pump jack (see attached photo). | 01/25/2014 |

☐ Multiple Spills and Releases?**Fencing:**

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

Equipment:

| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|-------------------------|---|-----------------------------|-------------------------|-------------------|---------|
| Pump Jack | 1 | Satisfactory | | | |
| Bird Protectors | 1 | Satisfactory | at treater | | |
| Deadman # & Marked | 4 | Satisfactory | | | |
| Veritcal Heater Treater | 1 | Satisfactory | berm39.85674-103.32887 | | |
| Ancillary equipment | 1 | Satisfactory | propane tank at treater | | |
| Prime Mover | 1 | Satisfactory | electric | | |

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| | | | | |
|--------------------|---|-----------------------------------|---------------------|--|
| Facilities: | | <input type="checkbox"/> New Tank | Tank ID: _____ | |
| Contents | # | Capacity | Type | SE GPS |
| | | | CENTRALIZED BATTERY | , |
| S/U/V: | | | Comment: | The location appears as two separate batteries as the signs imply and are for the most part. Pits are listed on 121-09571. |

| | | | |
|--------------------|--|------------------|--|
| 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: ☐ New Tank Tank ID: _____

| | | | | |
|--------------------|--------------|----------|--|-----------------------|
| Contents | # | Capacity | Type | SE GPS |
| PRODUCED WATER | 1 | 300 BBLS | STEEL AST | 39.856920,-103.329050 |
| S/U/V: | Satisfactory | Comment: | Located in adjacent berm to produced water pit and north of old skim pit on east side of location. | |
| 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 |
| | | | | |

Predrill

Location ID: 237656

Site Preparation:

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

S/U/V: _____

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

Form 2A COAs:**S/U/V:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/U/V:** _____ **Comment:** _____**CA:** _____ **Date:** _____**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:****Facility**

Facility ID: 237656 Type: WELL API Number: 121-10159 Status: PR Insp. Status: PR

Producing WellComment: PR
Oct 2013 last reported**Environmental****Spills/Releases:**

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____ Date: _____

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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: **wheat field**

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 _____

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1003 f. Weeds Noxious weeds? _____

Comment: _____

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 _____

Well Release on Active Location ☐

Multi-Well Location ☐

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Gravel | Pass | Gravel | Pass | | | |
| Compaction | Pass | Compaction | Pass | | | |
| Berms | Pass | Culverts | Pass | MHSP | Pass | |

S/U/V: _____

Corrective Date: _____

Comment: berm around wellhead
culver 1/2 full

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

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Pit Type: Produced Water Lined: NO Pit ID: Lat: 39.856690 Long: -103.329150

Lining:

Liner Type: Liner Condition:

Comment:

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Netting Condition:

Comment:

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

Pit (S/U/V): Unsatisfactory Comment:

Corrective Action: Remove and remediate stained soil on edges of pit. Date: 02/28/2014

Pit Type: Skimming/Settling Lined: NO Pit ID: Lat: 39.856670 Long: -103.329020

Lining:

Liner Type: Liner Condition:

Comment:

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Netting Condition:

Comment:

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

Pit (S/U/V): Unsatisfactory Comment: Per pumper, pit is sampled and will be closed.

Corrective Action: Remove and remediate oil in pit. Date: 02/28/2014

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|--|---|
| 673700987 | Diamond Idea 1 pump jack oil | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3266215 |
| 673700999 | Diamond Gulley 1 and Idea 1 battery berms in field | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3266216 |
| 673701001 | Diamond Gulley 1 and Idea 1 battery berms | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3266217 |
| 673701002 | Diamond Gulley 1 and Idea 1 battery berms maint. | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3266218 |