

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

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	<input type="checkbox"/>
	252465	303105	QUINT, CRAIG	2A Doc Num:	

Inspection Date: <u>03/14/2014</u>
Document Number: <u>668602270</u>
Overall Inspection: <b style="border: 1px solid red; padding: 2px;">Unsatisfactory

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
ELLSWORTH, STUART		stuart.ellsworth@state.co.us	
Peterson, Dave	303-494-4420	davep@flatironenergy.com	

Compliance Summary:

QtrQtr: SENE Sec: 12 Twp: 2S Range: 44W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
02/16/2012	663900592	PR	PR	Satisfactory	P		No
12/02/2009	200223503	PR	SI	Unsatisfactory			Yes
07/10/2008	200192745	PR	PR	Unsatisfactory			Yes

Inspector Comment:

Corrective Action: This well is in violation of COGCC Rules 326 and/or 319 for MITs of Shut-In or Temporarily Abandoned wells. The operator is required to contact COGCC Engineering Staff within 10 days of the date of this inspection report for approval of a schedule for either performing an MIT, or Plugging and Abandoning the well. If the MIT option is selected the well must pass an MIT to become compliant. The operator must provide ten (10) days written notice, via Form 42, to the field inspector prior to the MIT as required by Rule. If the MIT is not completed prior to a date approved by Engineering Staff or the well fails the MIT this matter will be referred to COGCC Enforcement Staff for formal proceedings. It will be to the operator's benefit to correct the violation immediately, though completion of required corrective action(s) will not eliminate the imposition of a penalty for past noncompliance.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
252465	WELL	SI	11/26/2012	GW	125-06339	STATE OF COLORADO 1-12	SI	<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	Unsatisfactory	2 TRACK THROUGH PASTURE AND CREEK WITH AREAS OF EROSION.	REPAIR AND INSTALL BMP's.	06/14/2014

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	Unsatisfactory	LABELING HAS PEELED OFF OF TANK.	Install sign to comply with rule 210.	04/14/2014
WELLHEAD	Satisfactory	LEASE SIGN MOUNTED ON METER SHED		

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	WIRE FENCE AROUND ALL EQUIPMENT		

Venting:	
Yes/No	Comment
NO	

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 252465

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: 252465 Type: WELL API Number: 125-06339 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/V: Violation CA Date: 03/14/2014

CA: See corrective action in comments on page 1 and last page.

Comment: WELL HAS NOT PRODUCED SINCE FEB 2012, METER RUN HAS BEEN DISCONNECTED FROM PIPELINE AND IS INCAPABLE OF PRODUCING IN PRESENT STATE REQUIRING THE WELL TO PASS A MECHANICAL INTEGRITY TEST WITH IN 30 DAYS.

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? _____ 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

Inspector Name: QUINT, CRAIG

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: _____

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
Compaction	Pass	Compaction	Fail			

S/U/V: Unsatisfactory Corrective Date: 06/14/2014

Comment: AREAS OF EROSION ON ROAD

CA: REPAIR AND INSTALL BMP's.

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Corrective Action: This well is in violation of COGCC Rules 326 and/or 319 for MITs of Shut-In or Temporarily Abandoned wells. The operator is required to contact COGCC Engineering Staff within 10 days of the date of this inspection report for approval of a schedule for either performing an MIT, or Plugging and Abandoning the well. If the MIT option is selected the well must pass an MIT to become compliant. The operator must provide ten (10) days written notice, via Form 42, to the field inspector prior to the MIT as required by Rule. If the MIT is not completed prior to a date approved by Engineering Staff or the well fails the MIT this matter will be referred to COGCC Enforcement Staff for formal proceedings. It will be to the operator's benefit to correct the violation immediately, though completion of required corrective action(s) will not eliminate the imposition of a penalty for past noncompliance.	quintc	03/19/2014

Attached Documents

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

Document Num	Description	URL
668602274	DISCONNECTED FLOWLINE	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3302199
668602275	LABELING	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3302200
668602276	EROSION	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3302201