

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



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Inspection Date:
04/01/2014

Document Number:
673500923

Overall Inspection:
Unsatisfactory

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>421298</u>	<u>421297</u>	<u>Covington, Dave</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: _____

Name of Operator: LONE MOUNTAIN PRODUCTION COMPANY

Address: PO BOX 250

City: LOMA State: CO Zip: 81524

- 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
Kellerby, Shaun		shaun.kellerby@state.co.us	
Dyk, Joe	970-250-9770	joevdyk@aol.com	Operations

Compliance Summary:

QtrQtr: Lot 3 Sec: 10 Twp: 1S Range: 104W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/20/2012	668400599	PR	PR	Violation	I		Yes

Inspector Comment:

Wellhead, tanks and separator on location.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
421298	WELL	PR	09/30/2011	OG	103-11854	MEAGHER 10-1H	PR <input checked="" type="checkbox"/>

Equipment:

Location Inventory

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

Location

Lease Road:

Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Access	Satisfactory			
Main	Satisfactory			

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
CONTAINERS	Unsatisfactory	Methanol tank by separator needs labelling	Install sign to comply with rule 210.	05/05/2014
TANK LABELS/PLACARDS	Unsatisfactory	No Labels on tanks, NFPA or tank contents.	Install sign to comply with rule 210.	05/05/2014
WELLHEAD	Unsatisfactory	A wellhead sign needs to be at the wellhead.	Install sign to comply with rule 210.	05/05/2014
BATTERY	Satisfactory			

Emergency Contact Number: (S/U/V) Unsatisfactory Corrective Date: 05/05/2014

Comment: There is no Emergency contact # on location.

Corrective Action: Install emergency contact #.

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
STORAGE OF SUPL	Unsatisfactory	Equipment being stored on location.	Remove all equipment that is not being used.	05/05/2014

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

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Gas Meter Run	1	Satisfactory			
Deadman # & Marked	4	Satisfactory			
Horizontal Heated Separator	1	Satisfactory			
Bird Protectors	2	Satisfactory			
Plunger Lift	1	Satisfactory			

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
OTHER				
S/U/V:	Satisfactory		Comment:	
Corrective Action:				Corrective Date:
<u>Paint</u>				
Condition	Adequate			
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	Install secondary containment.			Corrective Date 05/05/2014
Comment	55 gallon drums by wellhead need secondary containment.			

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	<100 BBLS	STEEL AST	39.974770, -109.048780
S/U/V:	Satisfactory		Comment:	
Corrective Action:				Corrective Date:
<u>Paint</u>				
Condition	Adequate			
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				

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____		
Contents	#	Capacity	Type	SE GPS	
CONDENSATE	2	300 BBLS	STEEL AST	39.974910,-109.048790	
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			
NO					
Flaring:					
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date	

Predrill				
Location ID: 421298				
Site Preparation:				
Lease Road Adeq.: _____		Pads: _____		Soil Stockpile: _____
S/U/V: _____				
Corrective Action: _____		Date: _____		CDP Num.: _____
Form 2A COAs:				
Group	User	Comment	Date	
OGLA	kubeczkod	The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.	11/04/2010	
S/U/V: _____		Comment: _____		
CA: _____			Date: _____	
Wildlife BMPs:				

BMP Type	Comment
<p>PROPOSED BMPs</p>	<p>ATTACHMENT B</p> <p>PROPOSED BMP's</p> <p>KGH Operating Company</p> <p>Meagher #104H</p> <p>Lat: 39.975192 Long: - 109.048658</p> <p>SWNE Sec. 10, Twn.1S, Rug. 104W 6th PM</p> <p>Rio Blanco, CO</p> <p>Stormwater Management</p> <p>Stormwater Management will be managed under KGH Operating Company's (KGH) proposed Stormwater Management Plan prepared for the project area. A Stormwater Plan and Permit will be submitted to CDPHE as required. Prior to construction a stormwater "perimeter" will be built around the site for initial work purposes. Once the pad construction is completed, the site will be inspected and any necessary Erosion Control Devices needed to manage sediment discharge from the pad will be installed. These devices may include but are not limited to:</p> <ul style="list-style-type: none"> - Rock Check dams - Settling ponds - Straw waddles - Silt Fencing (used sparingly) <p>Spill Prevention Control and Counter Measures (SPCC)</p> <p>Once the wells are drilled and completed onsite KGH will prepare a SPCC plan for the site.</p>
<p>PROPOSED BMPs</p>	<p>Attachment A</p> <p>KGH Operating Company</p> <p>Colorado Oil and Gas Conservation Commission (COGCC), Form 2A:</p> <p>Colorado Division of Wildlife (CDOW) Consultation Requirement</p> <p>Based on the fact that KGH's proposed well pad in Section 10, Twn 1S, Rng 104W is in an area that is classified by the CDOW as a sensitive wildlife area, a formal consultation with the CDOW is required as part of the Form 2A process. A phone conference was conducted on June 18, 2010 with CDOW representative Edward Winters to solicit inputs regarding CDOW wildlife concerns for the area and to identify the CDOW's expectations for informational requirements to accommodate the Form 2A consultation.</p> <p>Meeting Report and Recommended BMPs</p>

Mr. Winters confirmed that the proposed project is in an area deemed as a sensitive wildlife area. He indicated that it is "critical winter range for mule deer" and an "elk concentration area ". He provided the following mitigation recommendations:

1. Where oil and gas activities must occur in mule deer critical winter range or elk winter concentration areas, conduct these activities outside the time period from December 1 through April 15 (construction and drilling).
2. Restrict post - development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in mule deer and elk winter range.
3. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads.
4. Gate single - purpose roads and restrict general public access to reduce traffic disruptions to wildlife.
5. Close and immediately reclaim all roads that are redundant, not used regularly, or have been abandoned to the maximum extent possible to minimize disturbance and habitat fragmentation.
6. Avoid aggressive non - native grasses and shrubs in mule deer and elk habitat restoration.
7. Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.
8. Restore appropriate sagebrush species or subspecies on disturbed sagebrush sites. Use locally collected seed for reseeding where possible.

Craia Richardson

From: Winters, Edward [Edward.Winters @state.co.us] SEP 2 6 2010

Sent: Friday, June 18, 2010 10:00 AM

To: Craig Richardson

Subject: Wildlife BMPs for Mule deer critical winter range

Attachments: image003.jpg

Craig,

As per our conversation, here is a listing of BMPs that will satisfy the mule deer critical winter range issue associated

with the well location:

- Where oil and gas activities must occur in mule deer critical winter range or elk winter concentration areas, conduct these activities outside the time period from December 1 through April 15 (construction and drilling).

- Restrict post - development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in mule deer and elk winter range.
- Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads.
- Gate single - purpose roads and restrict general public access to reduce traffic disruptions to wildlife.
- Close and immediately reclaim all roads that are redundant, not used regularly, or have been abandoned to the maximum extent possible to minimize disturbance and habitat fragmentation.
- Avoid aggressive non - native grasses and shrubs in mule deer and elk habitat restoration.
- Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.
- Restore appropriate sagebrush species or subspecies on disturbed sagebrush sites. Use locally collected seed for reseeding where possible.

If all agree to these mitigative practices, just attach the listing of wildlife BMP's to the 2A application. Once I

receive the packet from COGCC for review and approval, I will post the attached BMPs for wildlife as acceptable and a condition of approval for this action. This will also satisfy the consultation requirement from COGCC.

If I can be of further help, please just let me know.

Thanks,

Ed

Land Use Specialist

Northwest Region

PO Box 1181

Meeker, Colorado 81641

(970) 878-6069

edward.winters@state.co.us

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: 421298 Type: WELL API Number: 103-11854 Status: PR Insp. Status: PR

Producing Well

Comment: Wellhead, tanks and separator on location.

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 _____
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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? _____ CM _____
 CA _____ CA Date _____
 Waste Material Onsite? _____ CM _____
 CA _____ CA Date _____
 Unused or unneeded equipment onsite? Fail CM Pump jack and Pipe on location
 CA Remove all un-used or unneeded equip. CA Date 05/05/2014
 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? _____ Production areas stabilized ? Pass
 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: 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: _____

Inspector Name: Covington, Dave

Corrective Action: _____						Date _____
Overall Final Reclamation _____		Well Release on Active Location <input type="checkbox"/>		Multi-Well Location <input type="checkbox"/>		
Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Berms	Pass					
S/U/V: Satisfactory _____ Corrective Date: _____						
Comment: No sediment Flows.						
CA: _____						
Pits: <input checked="" type="checkbox"/> NO SURFACE INDICATION OF PIT						

Attached Documents

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

Document Num	Description	URL
673500924	Tanks, need NFPA labels and emergency contact #	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3312675
673500925	Unused or unneeded equipment.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3312676
673500926	Container needs secondary containment	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3312677