

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
-------------------------------	--	--	-------------

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>
	268049	335953	Covington, Dave	2A Doc Num: _____

Inspection Date: <p style="text-align: center; margin: 0;"><u>04/15/2014</u></p> Document Number: <p style="text-align: center; margin: 0;"><u>673501025</u></p> Overall Inspection: <div style="border: 2px solid red; padding: 2px; text-align: center; color: red; font-weight: bold;"> Unsatisfactory </div>

Operator Information:

OGCC Operator Number: _____ Name of Operator: <u>KGH OPERATING COMPANY</u> Address: <u>P O BOX 2235</u> City: <u>BILLINGS</u> State: <u>MT</u> Zip: <u>59103-</u>
--

- 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	
Williamson, Craig	970-878-3800	cwilliamson@blm.gov	Petroleum Engineer
Hauptman, Tom	406-259-8480	hauptmant@aol.com	Pres.

Compliance Summary:

QtrQtr: SWNE Sec: 24 Twp: 1S Range: 104W

Inspector Comment:

Wellheads, tanks, meterhouses, and separators on location

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
268049	WELL	PR	11/11/2004	GW	103-10318	FEDERAL 24-8	PR	<input checked="" type="checkbox"/>
268051	WELL	PR	11/11/2004	GW	103-10319	FEDERAL 24-7	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 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
WELLHEAD	Unsatisfactory	a wellhead sign needs to be located at the wellhead.	Install sign to comply with rule 210.	05/19/2014
TANK LABELS/PLACARDS	Satisfactory			

Inspector Name: Covington, Dave

BATTERY	Satisfactory			
---------	--------------	--	--	--

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

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
------	------	--------	-------------------	---------

Multiple Spills and Releases?

Equipment:

Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Horizontal Heated Separator	2	Satisfactory			
Bird Protectors	2	Satisfactory			
Deadman # & Marked	4	Satisfactory			
Ancillary equipment	2	Unsatisfactory	HDPE tanks need secondary containment, located at the wellhead.	Install secondary containment.	05/19/2014
Gas Meter Run	2	Satisfactory			

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CONDENSATE	1	300 BBLS	STEEL AST	39.948570,-109.013700

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 _____

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____		
Contents	#	Capacity	Type	SE GPS	
CONDENSATE	1	300 BBLS	STEEL AST	39.948890,-109.013220	
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	Inadequate	
Corrective Action	control Stormwater			Corrective Date	05/19/2014
Comment	Stormwater needs to be controlled				
Venting:					
Yes/No		Comment			
NO					
Flaring:					
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date	

Predrill

Location ID: 268049

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: 268049 Type: WELL API Number: 103-10318 Status: PR Insp. Status: PR

Facility ID: 268051 Type: WELL API Number: 103-10319 Status: PR Insp. Status: PR

Producing Well

Comment: Wellheads, tanks, meterhouses, and separators 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: _____ 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

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Inspector Name: Covington, Dave

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
Ditches	Fail					Stormwater channel needs maintenance.

S/U/V: **Unsatisfactory** Corrective Date: **05/19/2014**

Comment: **Stormwater Channel at Fed. 24-8 tank battery needs maintenance.**

CA: **Maintain Stormwater channel.**

Pits: 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
673501026	Wellheads and HDPE tanks need secondary containment	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3321356
673501027	Tank battery shows stormwater issue	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3321357
673501028	Stormwater issue	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3321358