

**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:  
09/08/2014Document Number:  
674101279

Overall Inspection:

**ACTION REQUIRED****FIELD INSPECTION FORM**

|                     |             |        |                  |                          |             |
|---------------------|-------------|--------|------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name:  | On-Site Inspection       | 2A Doc Num: |
|                     | 216902      | 307116 | Rickard, Jeffrey | <input type="checkbox"/> |             |

**Operator Information:**OGCC Operator Number: 52530Name of Operator: MAGPIE OPERATING, INCAddress: 2707 SOUTH COUNTY RD 11City: LOVELAND State: CO Zip: 80537

- ☐ 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 |
|---------------|--------------|--------------------------|---------|
| Warner, Ryan  | 970-669-6308 | magpieoil@yahoo.com      |         |
| Allison, Rick |              | rick.allison@state.co.us |         |

**Compliance Summary:**QtrQtr: SENE Sec: 31 Twp: 5N Range: 68W

| Insp. Date | Doc Num   | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 01/14/2010 | 200230365 | PR         | PR          | ACTION REQUIRED               |          |                | No              |
| 10/12/2007 | 200121422 | PR         | PR          | ACTION REQUIRED               |          |                | Yes             |
| 09/27/2007 | 200121421 | PR         | PR          | ACTION REQUIRED               |          |                | Yes             |
| 09/27/2007 | 200120030 | PR         | PR          | ACTION REQUIRED               |          |                | Yes             |
| 09/13/2007 | 1617961   | PR         | PR          | ACTION REQUIRED               |          |                | Yes             |
| 09/19/2000 | 200010135 | PR         | PR          | SATISFACTORY                  |          | Pass           | No              |
| 03/11/1996 | 500151099 | PR         | PR          |                               |          | Pass           | No              |
| 04/18/1994 | 500151098 |            | PR          |                               |          | Pass           | No              |

**Inspector Comment:****Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name | Insp Status |                                     |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|-------------------------------------|
| 216902      | WELL | PR     | 09/30/1998  | OW         | 069-06089 | IHNEN 1-A     | PR          | <input checked="" type="checkbox"/> |

**Equipment:**Location Inventory

Inspector Name: Rickard, Jeffrey

|                              |                        |                     |                         |
|------------------------------|------------------------|---------------------|-------------------------|
| 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/Action Required | Comment | Corrective Action | CA Date |
|----------------------|------------------------------|---------|-------------------|---------|
| TANK LABELS/PLACARDS | SATISFACTORY                 |         |                   |         |
| BATTERY              | SATISFACTORY                 |         |                   |         |
| WELLHEAD             | SATISFACTORY                 |         |                   |         |

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: \_\_\_\_\_

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

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

#### Spills:

| Type      | Area | Volume | Corrective action  | CA Date    |
|-----------|------|--------|--|------------|
| Crude Oil | Tank |        | Stained soil around tank needs to be cleaned up, several stained areas around tank may indicate that tank is leaking from the bottom (see photo) | 11/08/2014 |

☐ Multiple Spills and Releases?

#### Equipment:

| Type                        | # | Satisfactory/Action Required | Comment  | Corrective Action | CA Date    |
|-----------------------------|---|------------------------------|--|-------------------|------------|
| Horizontal Heated Separator | 1 | SATISFACTORY                 |  |                   |            |
| Gas Meter Run               | 1 | SATISFACTORY                 |  |                   |            |
| Plunger Lift                | 1 | ACTION REQUIRED              | Releasing gas from hammer nut on casing (see photo). | Fix leak.         | 10/08/2014 |

Inspector Name: Rickard, Jeffrey

|                        |                              |                                   |                     |                       |                  |
|------------------------|------------------------------|-----------------------------------|---------------------|-----------------------|------------------|
| <b>Facilities:</b>     |                              | <input type="checkbox"/> New Tank | Tank ID: _____      |                       |                  |
| Contents               | #                            | Capacity                          | Type                | SE GPS                |                  |
| CRUDE OIL              | 1                            | 300 BBLS                          | STEEL AST           | 40.358720,-105.042340 |                  |
| S/A/V:                 | SATISFACTORY                 |                                   | Comment:            |                       |                  |
| Corrective Action:     |                              |                                   |                     |                       | Corrective Date: |
| <b>Paint</b>           |                              |                                   |                     |                       |                  |
| Condition              | Adequate                     |                                   |                     |                       |                  |
| Other (Content) _____  |                              |                                   |                     |                       |                  |
| Other (Capacity) _____ |                              |                                   |                     |                       |                  |
| Other (Type) _____     |                              |                                   |                     |                       |                  |
| <b>Berms</b>           |                              |                                   |                     |                       |                  |
| 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/Action Required |                                   | Comment             | Corrective Action     | CA Date          |
|                        |                              |                                   |                     |                       |                  |

**Predrill**

Location ID: 216902

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/A/V:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:****S/A/V:** \_\_\_\_\_ **Comment:** \_\_\_\_\_**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_**Wildlife BMPs:****S/A/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: 216902 Type: WELL API Number: 069-06089 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

**BradenHead**

Comment: Braden head is not exposed at surface.

CA: Expose/plumb braden head to surface.

CA Date: 11/08/2014

**Environmental****Spills/Releases:**

Inspector Name: Rickard, Jeffrey

|                                   |                    |                               |
|-----------------------------------|--------------------|-------------------------------|
| Type of Spill: _____              | Description: _____ | Estimated Spill Volume: _____ |
| Comment: _____                    |                    |                               |
| Corrective Action: _____          |                    | Date: _____                   |
| Reportable: _____                 | GPS: Lat _____     | Long _____                    |
| Proximity to Surface Water: _____ |                    | Depth to Ground Water: _____  |

|                        |                   |             |            |
|------------------------|-------------------|-------------|------------|
| <b>Water Well:</b>     |                   | 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**

|   |   |
|---|---|
| <b>Interim Reclamation:</b>             |   |
| 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            |   |
| <u>Cropland</u>                         |   |

Inspector Name: Rickard, Jeffrey

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Gravel           | Pass            |                         |                       |               |                          |         |

S/A/V: SATISFACTOR  
Y

Corrective Date: \_\_\_\_\_

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

CA: \_\_\_\_\_

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   |
|--------------|--|---|
| 674101280    | Gas releasing from hammer nut on casing. | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3427391">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3427391</a> |
| 674101281    | Stained soil around tank.                | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3427392">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3427392</a> |
| 674101282    | Stained soil around tank (2).            | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3427393">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3427393</a> |
| 674101283    | Braden head not exposed.                 | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3427394">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3427394</a> |

## **ACTION REQUIRED**

**ANY ACTION REQUIRED** items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)