

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:
09/25/2014

Document Number:
668302697

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|-------------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>241634</u> | <u>318572</u> | <u>JOHNSON, RANDELL</u> | <input type="checkbox"/> | |

Operator Information:

| | |
|-----------------------|--|
| OGCC Operator Number: | <u>52060</u> |
| Name of Operator: | <u>M E III CORPORATION</u> |
| Address: | <u>14182 W 4TH AVE</u> |
| City: | <u>GOLDEN</u> State: <u>CO</u> Zip: <u>80401</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 |
|---------------|--------------|------------------|-----------------------------------|
| ERNEST, SCOTT | 303-279-4429 | No Email on File | 14182 W 4TH AVE, GOLDEN, CO 80401 |

Compliance Summary:

QtrQtr: NENE Sec: 25 Twp: 1N Range: 67W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 05/19/2014 | 668301529 | PR | SI | SATISFACTORY | P | | No |
| 10/31/2013 | 668701175 | PR | FR | ACTION REQUIRED | | | No |
| 05/20/2009 | 200211009 | PR | PR | ACTION REQUIRED | | | Yes |
| 12/18/2006 | 200101751 | PR | PR | ACTION REQUIRED | | Pass | Yes |
| 05/06/1997 | 500164322 | PR | PR | | | | |
| 03/07/1997 | 500164321 | PR | PR | | | | |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|--|
| 241634 | WELL | PR | 05/01/1985 | GW | 123-09423 | PERRY 1 | 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

| Signs/Marker: | | | | |
|----------------------|------------------------------|---|---------------------------------------|------------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WELLHEAD | ACTION REQUIRED | No emergency contact information on wellhead signage/See attached photos on last page of document | Install sign to comply with rule 210. | 10/25/2014 |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |
| BATTERY | ACTION REQUIRED | There is no required signage at battery location/See attached photos on last page of document | Install sign to comply with rule 210. | 10/25/2014 |

Emergency Contact Number (S/A/V): ACTION Corrective Date: 10/25/2014

Comment: No emergency location information at battery or wellhead site/See attached photos on last page of document

Corrective Action: Provide emergency contact information signage at battery and at wellhead locations

| Good Housekeeping: | | | | |
|---------------------------|------------------------------|---|-------------------|------------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| DEBRIS | ACTION REQUIRED | Debris on location/See attached photos on last page of document | Remove debris | 10/25/2014 |
| WEEDS | ACTION REQUIRED | Weeds on location/See attached photos on last page of document | Remove weeds | 10/25/2014 |
| TRASH | ACTION REQUIRED | Trash on location/See attached photos on last page of document | Remove trash | 10/25/2014 |

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

| Fencing/: | | | | |
|------------------|------------------------------|---------------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| SEPARATOR | SATISFACTORY | Square tube fencing | | |
| WELLHEAD | SATISFACTORY | Angle-iron fencing | | |

| Equipment: | | | | |
|-------------------|---|------------------------------|------------------------------------|---------|
| Type | # | Satisfactory/Action Required | Comment | CA Date |
| Gas Meter Run | 1 | SATISFACTORY | Pipeline meter and metal chart box | |

| | | | | | |
|-----------------------------|---|--------------|--|--|--|
| Plunger Lift | 1 | SATISFACTORY | | | |
| Horizontal Heated Separator | 1 | SATISFACTORY | | | |

Facilities: New Tank Tank ID: _____

| | | | | | |
|--------------------|--------------|-----------|------------------|-----------------------|--|
| Contents | # | Capacity | Type | SE GPS | |
| PRODUCED WATER | 1 | <100 BBLS | PBV FIBERGLASS | 40.026890,-104.833900 | |
| S/A/V: | SATISFACTORY | | Comment: 80 bbls | | |
| 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: New Tank Tank ID: _____

| | | | | | |
|--------------------|--------------|----------|-----------|-----------------------|--|
| Contents | # | Capacity | Type | SE GPS | |
| CRUDE OIL | 1 | 300 BBLS | STEEL AST | 40.026890,-104.833900 | |
| S/A/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/Action Required | Comment | Corrective Action | CA Date |
| | | | | |

Predrill

Location ID: 241634

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: 241634 Type: WELL API Number: 123-09423 Status: PR Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/A/V: _____ CA Date: _____

CA: _____

Comment: Producing intermittently

BradenHead

Comment: Bradenhead is not plumbed to the surface as required/See attached photos on last page of document

CA: Bradenhead must be plumbed to the surface to accomodate monitoring and inspection.

CA Date: 10/25/2014

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 _____

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): N _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): YES _____

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

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| Operator has no email address on file. | johnsonr | 09/25/2014 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------------------|---|
| 668302698 | ME III - Perry 1 (123-09423) (1) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3444089 |
| 668302699 | ME III - Perry 1 (123-09423) (2) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3444090 |
| 668302700 | ME III - Perry 1 (123-09423) (3) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3444091 |
| 668302702 | ME III - Perry 1 (123-09423) (4) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3444092 |
| 668302703 | ME III - Perry 1 (123-09423) (5) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3444093 |
| 668302704 | ME III - Perry 1 (123-09423) (6) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3444094 |
| 668302705 | ME III - Perry 1 (123-09423) (7) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3444095 |

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.)