

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:
10/07/2014

Document Number:
667200568

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|--------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>219142</u> | <u>312157</u> | <u>SCHURE, KYM</u> | <input type="checkbox"/> | |

Operator Information:

| | |
|-----------------------|---|
| OGCC Operator Number: | <u>10380</u> |
| Name of Operator: | <u>BENCHMARK ENERGY LLC</u> |
| Address: | <u>PO BOX 8747</u> |
| City: | <u>PRATT</u> State: <u>KS</u> Zip: <u>67124</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 |
|-----------------|----------------|------------------------------|-----------------|
| Axelson, John | | john.axelson@state.co.us | |
| Ferrell, LaDawn | (620) 672-3800 | lferrell@profsecservices.com | All Inspections |
| Burn, Diana | | diana.burn@state.co.us | |
| Nash, Jerry | (316) 218-8184 | jerry@benchmarkenergy.us | All Inspections |

Compliance Summary:

QtrQtr: NENW Sec: 12 Twp: 8N Range: 54W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 08/19/2014 | 667200391 | TA | TA | ALLEGED VIOLATION | | | Yes |
| 08/12/2014 | 667200363 | TA | TA | ACTION REQUIRED | | | No |
| 08/09/2014 | 667200354 | TA | TA | ALLEGED VIOLATION | | | Yes |
| 07/23/2014 | 667200233 | TA | TA | ALLEGED VIOLATION | | | Yes |
| 08/08/2013 | 664001189 | TA | TA | SATISFACTORY | | | No |
| 07/09/2012 | 663300289 | TA | TA | ACTION REQUIRED | I | | No |
| 06/16/2011 | 200312780 | MI | AC | SATISFACTORY | | | No |
| 05/17/2010 | 200250541 | RT | AC | SATISFACTORY | | | No |
| 08/04/2009 | 200215918 | RT | AC | SATISFACTORY | | | No |
| 04/22/2008 | 200130653 | RT | AC | SATISFACTORY | | | No |
| 06/20/2007 | 200115803 | RT | AC | SATISFACTORY | | Pass | No |
| 06/16/2006 | 200091651 | MI | SI | SATISFACTORY | | Pass | No |
| 06/08/2006 | 200091663 | MI | AC | SATISFACTORY | | Fail | Yes |
| 07/05/2005 | 200074140 | RT | SI | SATISFACTORY | | Pass | No |
| 06/15/2004 | 200055909 | RT | | SATISFACTORY | | Pass | No |
| 04/02/2003 | 200037007 | RT | SI | SATISFACTORY | | Pass | No |
| 07/18/2002 | 200028845 | RT | SI | SATISFACTORY | P | Pass | No |
| 07/26/2001 | 200018310 | MI | SI | SATISFACTORY | | Pass | No |

| | | | | | | |
|------------|-----------|----|----|--------------|------|----|
| 08/04/2000 | 200008427 | RT | SI | SATISFACTORY | Pass | No |
|------------|-----------|----|----|--------------|------|----|

Inspector Comment:

COGCC N.E. Field Office responding to landowner concerns regarding status of corrective actions required by Doc.#667200233, 667200354, 667200363 & 667200391. Corrective actions from previous Inspection Reports have not been performed per required corrective action dates which have expired. Reference "Operator Plan of Corrective Actions and Dates of Completion" for status of plan approval and directives. Operator is required to provide COGCC Engineering with sections of failed system parts resulting in recent release/spill for analysis and associated corrective actions. Operator was on-site at time of inspections performing work on well. Vegetation kill resulting from recent and historical releases/spills has not been corrected at the time/date of the Inspection Report. Operator is required to contact COGCC Environmental and COGCC Engineering for corrective action directives and requirements. Any/all corrective actions performed by Operator per previous Inspection Reports are noted in this Inspection Report.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|----------------------------|-------------|-------------------------------------|
| 219142 | WELL | TA | 04/26/2013 | ERIW | 075-05971 | NW GRAYLIN D-SAND UNIT 5-W | TA | <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 | SATISFACTORY | | | |

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

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

Multiple Spills and Releases?

Equipment:

| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|-------|---|------------------------------|---------|--|------------|
| Other | 0 | ACTION REQUIRED | | Provide COGCC with section of failed system parts resulting in release/spill for analysis and directives for corrective actions. | 10/09/2014 |

Venting:

| Yes/No | Comment |
|--------|---------|
| | |

| Flaring: | | | | |
|-----------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| | | | | |

Predrill

Location ID: 219142

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: 219142 Type: WELL API Number: 075-05971 Status: TA Insp. Status: TA

Complaint

Comment: Landowner contacted COGCC N.E. Field Office regarding concerns of inactivity/non-performance of corrective actions related to surface impact resulting from previous releases/spills. No corrective actions from previous Inspection Reports related to surface impacts have been performed at time/date of this Inspection Report. Corrective actions dates cited in previous COGCC Inspection Reports have expired. Reference "Operator Plan of Corrective Actions and Completion Dates" provided/submitted by Operator for approval by COGCC for corrective action deadlines.

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____
S/A/V: CA Date:
CA:
Comment:

Environmental

Spills/Releases:

Type of Spill: FLUID Description: Surface impact Estimated Spill Volume: _____
Comment:
Corrective Action: Date:
Reportable: YES 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): _____
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

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Other | Fail | | | | | |

S/A/V: **ACTION REQUIRED** Corrective Date: **10/31/2014**

Comment: **Reference "Operator Plan of Corrective Actions and Completion Dates" provided to COGCC by Operator pending approval by COGCC.**

CA: **Implement and maintain BMP's for stormwater control.**

Pits: NO SURFACE INDICATION OF PIT

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.)