

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
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Inspection Date:
10/09/2014

Document Number:
673706783

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>236863</u>	<u>317151</u>	<u>Sherman, Susan</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>24320</u>
Name of Operator:	<u>DIAMOND OPERATING, INC.</u>
Address:	<u>6666 GUNPARK DR STE #200</u>
City:	<u>BOULDER</u> State: <u>CO</u> Zip: <u>80301</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
Peterson, Dave	(303) 949-4420	davep@flatironenergy.com	

Compliance Summary:

QtrQtr: NENW Sec: 1 Twp: 2S Range: 56W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/29/2014	673701062	PR	PR	ACTION REQUIRED	P		No
10/06/2010	200277642	PR	PR	SATISFACTORY	I		No
08/17/2010	200273288	PR	PR	ACTION REQUIRED			Yes
08/22/2008	200196551	PR	PR	SATISFACTORY			Yes
09/25/2007	200119573	PR	PR	SATISFACTORY			No
06/27/2003	200040734	PR	PR	SATISFACTORY		Pass	No
02/16/1996	500159593	PR	PR			Fail	No
12/07/1995	500159592	PR	PR			Pass	
09/28/1995	500159591	PR	PR			Fail	Yes

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
236863	WELL	PR	03/01/2013	OW	121-09360	KEJR 'V' 4	PR

Equipment:

Location Inventory

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Inspector Name: Sherman, Susan

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

Lease Road:

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	ACTION REQUIRED	Rutted.	Maintain road.	11/03/2014

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
CONTAINERS	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			
WELLHEAD	SATISFACTORY			
BATTERY	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	WELLHEAD	<= 5 bbls	Remove or remediate stained soil at wellhead (see attached photo). Fix leak.	10/14/2014
Crude Oil	Treater	<= 5 bbls	Remove or remediate stained soil at treater (see attached photo). Fix leak.	11/03/2014
Lube Oil	Pump Jack	<= 5 bbls	Remove or remediate stained soil at wellhead (see attached photo). Fix leak.	11/03/2014

Multiple Spills and Releases?

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Bird Protectors	1	SATISFACTORY	on treater		
Veritcal Heater Treater	1	SATISFACTORY	Berms39.91306-103.60377		

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	200 BBLS	PBV STEEL	39.912910,-103.603810
S/AV:	ACTION REQUIRED		Comment: Hatch open (see attached photo).	
Corrective Action: Close hatch.			Corrective Date: 10/14/2014	
Paint				
Condition				
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Sufficient	Base Sufficient	Inadequate
Corrective Action	Maintain berms.			Corrective Date 11/03/2014
Comment	animal holes (see attached photo).			
Venting:				
Yes/No	Comment			
Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 236863

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **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:

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): _____

Comment: _____

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

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: crop

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
Gravel	Pass	Gravel	Pass			
Compaction	Pass	Compaction	Fail	MHSP	Pass	

S/A/V: **ACTION REQUIRED**

Corrective Date: **11/03/2014**

Comment: _____

CA: **See lease road section for CA.**

Pits: NO SURFACE INDICATION OF PIT

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 39.912830 Long: -103.603440

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: NO 2+ feet Freeboard: _____

Pit (S/A/V): **ACTION** Comment: **Pit numbers 104622 and 104623 related to this well and are listed under Heartland Oil and Gas Co. ownership. Animal holes in berm (see attached photos).**

Corrective Action: **Maintain berms.**

Date: **11/03/2014**

Attached Documents

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

Document Num	Description	URL
673706960	Diamond KEJR V4 well sign	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456566
673706961	Diamond KEJR V4 wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456567
673706962	Diamond KEJR V4 well pump jack leak	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456568
673706963	Diamond KEJR V4 well containers	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456569
673706964	Diamond KEJR V4 well Novacide	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456570
673706965	Diamond KEJR V4 Battery sign	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456571
673706966	Diamond KEJR V4 Battery treater	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456572
673706967	Diamond KEJR V4 Battery treater stained soil	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456573
673706968	Diamond KEJR V4 Battery pit animal holes	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456574
673706969	Diamond KEJR V4 Battery PW skim tank hatch open	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456575
673706970	Diamond KEJR V4 Battery PW skim tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456576
673706972	Diamond KEJR V4 Battery PW skim tank berms animal holes	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3456577

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.)