

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:
01/02/2015

Document Number:
673709065

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>234808</u>	<u>317038</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: SEnw Sec: 21 Twp: 2N Range: 49W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/06/2010	200277630	SR	PR	SATISFACTORY			No
08/12/2010	200271932	PR	PR	ACTION REQUIRED			Yes
11/08/2007	200122115	PR	PR	SATISFACTORY			No
10/20/2003	200045854	PR	PR	SATISFACTORY		Pass	No
09/30/1997	500158808	ES	PR			Pass	No
09/25/1997	500158807	ES	PR			Pass	No
11/09/1995	500158806	PR	PR			Pass	No
10/03/1995	500158805	PR	PR			Fail	Yes

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
102634	PIT	CL	08/17/2012		-	WALTERS 1 & 12-21	CL <input type="checkbox"/>
117634	PIT	AC	08/17/2012		-	WALTERS	AC <input type="checkbox"/>
234808	WELL	PR	09/17/1985	OW	121-06946	RAY WALTERS 1	PR <input checked="" type="checkbox"/>
429955	LOCATION	AC	08/17/2012		-	Ray Walters No. 1 429955	AC <input type="checkbox"/>

Equipment:

Location Inventory

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

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	ACTION REQUIRED	Skim tank on west side of tanks needs NFPA label. NFPA label on E skim tank is missing a number. See attached photos.	Install sign to comply with rule 210.	02/02/2015
WELLHEAD	ACTION REQUIRED	Operator emergency contact number needed.	Install sign to comply with rule 210.	02/02/2015
BATTERY	SATISFACTORY	has emergency contact number on sign		
CONTAINERS	SATISFACTORY			

Emergency Contact Number (S/A/V): ACTION Corrective Date: 02/02/2015

Comment: _____

Corrective Action: Operator emergency contact number required.

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

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Bird Protectors	1	SATISFACTORY	CO tank smoke stack		
Ancillary equipment	6	SATISFACTORY	4 chemical containers, electric panel, shed at tanks		
Deadman # & Marked	4	SATISFACTORY			
Other	1	SATISFACTORY	centrifugal pump, leak at wellhead-not on ground (see attached photo)		
Other	1	SATISFACTORY	centrifugal pump, electric		

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS

Inspector Name: Sherman, Susan

PRODUCED WATER	1	400 BBLs	STEEL AST	
S/A/V:	SATISFACTORY		Comment: same berms as 300 BBL PW tank	
Corrective Action:				Corrective Date:

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action				Corrective Date
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Comment				
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Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	300 BBLs	STEEL AST	40.133410,-102.865280

S/A/V:	SATISFACTORY		Comment:	
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Corrective Action:				Corrective Date:
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Paint

Condition	Adequate
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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
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Comment				
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Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	1	400 BBLs	HEATED STEEL AST	,

S/A/V:	SATISFACTORY		Comment: same berms as 300 BBL PW tank	
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Corrective Action:				Corrective Date:
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Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action	Corrective Date
Comment	

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2	300 BBLS	HEATED STEEL AST	,

S/AVV: SATISFACTORY Comment: same berms as 300 BBL PW tank

Corrective Action:	Corrective Date:
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Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action	Corrective Date
Comment	

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 234808

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:

Facility

Facility ID: 234808 Type: WELL API Number: 121-06946 Status: PR Insp. Status: PR

Producing Well

Comment: PR Aug 2014 reported to COGCC database.

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? Pass CM _____
CA _____ CA Date _____
- Waste Material Onsite? Pass CM _____
CA _____ CA Date _____
- Unused or unneeded equipment onsite? Pass CM _____
CA _____ CA Date _____
- Pit, cellars, rat holes and other bores closed? Pass CM _____
CA _____ CA Date _____
- Guy line anchors removed? _____ CM _____
CA _____ CA Date _____
- Guy line anchors marked? Pass 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
Compaction	Fail	Compaction	Pass	MHSP	Pass	
Gravel	Pass	Gravel	Pass	SR	Pass	

S/A/V: ACTION REQUIRED Corrective Date: 02/02/2015

Comment:

CA: See Pits section for corrective action to E side pit berm.

Pits: NO SURFACE INDICATION OF PIT

Pit Type: Skimming/Settling Lined: YES Pit ID: _____ Lat: 40.133400 Long: -102.864750

Lining:

Liner Type: Other Liner Condition: Adequate

Comment: Fiberglass tank-200 BBL-covered top

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: _____ 2+ feet Freeboard: _____

Pit (S/A/V): ACTION Comment: Skim tank on east side of tanks.
See attached photo of erosion from berms SE of E skim tank.

Corrective Action: Maintain pit berms. Date: 02/02/2015

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 40.133430 Long: -102.866470

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): SATISFACTOR Comment: West pit on west side of tanks ~500'x80'.

Corrective Action: _____ Date: _____

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 40.133460 Long: -102.866190

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): SATISFACTOR Comment: East pit on west side of tanks ~80'x70'.

Corrective Action: _____ Date: _____

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 40.133450 Long: -102.864420

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): SATISFACTOR Comment: Middle East pit on east side of tanks ~80'x60'. Freeboard marker.

Corrective Action: _____ Date: _____

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 40.133380 Long: -102.803550

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): SATISFACTOR Comment: East pit on east side of tanks ~200'x100'.

Corrective Action: _____ Date: _____

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 40.133330 Long: -102.864720

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): SATISFACTOR Comment: West pit on east side of tanks ~40'x15'. Has odor. Free board markers.

Corrective Action: _____ Date: _____

Pit Type: Skimming/Settling Lined: YES Pit ID: _____ Lat: 40.133450 Long: -102.865770

Lining:

Liner Type: Other Liner Condition: Adequate

Comment: PBST tank-400 BBL-covered top

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: _____ 2+ feet Freeboard: _____

Pit (S/A/V): ACTION Comment: Skim tank on west side of tanks. No NFPA label.
Hatch and stack have bird protectora.

Corrective Action: See Sign section for corrective action. Date: 02/02/2015

Attached Documents

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

Document Num	Description	URL
673709066	Diamond Walters 1 well sign	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520388
673709067	Diamond Walters 1 well chemical containers	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520389
673709068	Diamond Walters 1 well equipment	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520390
673709069	Diamond Walters 1 wellhead	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520391
673709070	Diamond Walters 1 Bat sign	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520392
673709071	Diamond Walters 1 wellhead oil	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520393
673709072	Diamond Walters 1 Bat PW 300 BBL tank labels	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520394
673709073	Diamond Walters 1 Bat PW 400 BBL tank labels	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520395
673709074	Diamond Walters 1 Bat skim tank on W side/no NFPA	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520396
673709075	Diamond Walters 1 Bat insulated CO tanks	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520397
673709076	Diamond Walters 1 Bat pits W side	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520398
673709077	Diamond Walters 1 Bat chemical container	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520400
673709078	Diamond Walters 1 Bat pit E side	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520401
673709079	Diamond Walters 1 Bat erosion SE of E skim tank berms	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520402
673709081	Diamond Walters 1 Bat skim tank E side	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520403
673709082	Diamond Walters 1 Bat pit E side	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520404

673709083	Diamond Walters 1 Bat NE of west skim tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3520405
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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.)