

**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:  
01/14/2015

Document Number:  
668500802

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

|                     |               |               |                     |                          |             |
|---------------------|---------------|---------------|---------------------|--------------------------|-------------|
| Location Identifier | Facility ID   | Loc ID        | Inspector Name:     | On-Site Inspection       | 2A Doc Num: |
|                     | <u>205913</u> | <u>321059</u> | <u>Welsh, Brian</u> | <input type="checkbox"/> |             |

**Operator Information:**

|                       |  |
|-----------------------|--|
| OGCC Operator Number: | <u>10383</u>                                     |
| Name of Operator:     | <u>SOVEREIGN OPERATING COMPANY LLC</u>           |
| Address:              | <u>475 17TH STREET #1200</u>                     |
| City:                 | <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</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 |
|--------------|--------------|-------------------------|---------|
|              | 303-297-0347 | sovereignenergy@aol.com |         |

**Compliance Summary:**

QtrQtr: SESW Sec: 11 Twp: 33S Range: 43W

| Insp. Date | Doc Num   | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 02/26/2010 | 200233096 | PR         | PR          | <b>ACTION REQUIRED</b>        |          |                | Yes             |
| 11/13/2007 | 200121803 | PR         | PR          | SATISFACTORY                  |          |                | No              |
| 05/26/2006 | 200094042 | PR         | PR          | SATISFACTORY                  |          | Pass           | No              |
| 01/02/2001 | 200013086 | PR         | PR          | SATISFACTORY                  | I        | Pass           | No              |
| 02/23/2000 | 200004159 | PR         | PR          | SATISFACTORY                  | I        | Pass           | No              |
| 03/31/1999 | 500136171 | PR         | PR          |                               |          | Pass           | No              |
| 04/14/1998 | 500136170 | PR         | PR          |                               |          | Fail           | Yes             |
| 01/13/1997 | 500136169 | PR         | PR          |                               |          |                | No              |

**Inspector Comment:**

**WELL IS REQUIRED TO PASS A M.I.T. BY DEC 2014. INSTALL LEASE SIGN AT WELLHEAD AND ADD TANK LABELING**

**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name | Insp Status                            |
|-------------|------|--------|-------------|------------|-----------|---------------|--|
| 114727      | PIT  |        | 01/10/1990  |            | -         | GRIFFIN 1-11  | <input type="checkbox"/>               |
| 205913      | WELL | PR     | 09/05/2006  | GW         | 009-06328 | GRIFFIN 1-11  | SI <input checked="" type="checkbox"/> |

**Equipment:**

Location Inventory

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

Inspector Name: Welsh, Brian

|                              |                        |                     |                         |
|------------------------------|------------------------|---------------------|-------------------------|
| 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 | SATISFACTORY                 | TWO TRACK THROUGH PASTURE |                   |      |

**Signs/Marker:**

| Type                 | Satisfactory/Action Required | Comment   | Corrective Action                     | CA Date    |
|----------------------|------------------------------|---|---------------------------------------|------------|
| OTHER                | SATISFACTORY                 | LEASE SIGN BY COUNTY ROAD AT ENTRANCE               |                                       |            |
| WELLHEAD             | ACTION REQUIRED              | NO LEASE SIGN AT WELLHEAD. INSTALL LEASE SIGN       | Install sign to comply with rule 210. | 03/18/2015 |
| TANK LABELS/PLACARDS | ACTION REQUIRED              | NO LABELING FOR PRODUCTION TANKS. ADD TANK LABELING | Install sign to comply with rule 210. | 03/14/2015 |

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

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

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

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

**Good Housekeeping:**

| Type  | Satisfactory/Action Required | Comment  | Corrective Action | CA Date |
|-------|------------------------------|--|-------------------|---------|
| WEEDS | SATISFACTORY                 | TUMBLEWEEDS IN FENCE AROUND BOOSTER COMPRESSOR |                   |         |

**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 |
|-------|------------------------------|--|-------------------|---------|
| OTHER | SATISFACTORY                 | PIPE FENCE AROUND METER SHED AND PIG STATION |                   |         |

|           |              |   |  |  |
|-----------|--------------|---|--|--|
| PUMP JACK | SATISFACTORY | HOG PANELS AROUND UNIT, WELLHEAD AND BOOSTER COMPRESSOR |  |  |
|-----------|--------------|---|--|--|

| <b>Equipment:</b>   |   |                              |  |                   |         |
|---------------------|---|------------------------------|--|-------------------|---------|
| Type                | # | Satisfactory/Action Required | Comment  | Corrective Action | CA Date |
| Ancillary equipment | 4 | SATISFACTORY                 | GAS SCRUBBER, BOOSTER COMPRESSOR, ELECTRIC PANELS AND MURPHY SWITCHES  |                   |         |
| Pig Station         | 1 | SATISFACTORY                 | PIG STATION ON SOUTH SIDE OF METER SHED                                |                   |         |
| Pump Jack           | 2 | SATISFACTORY                 | 1-CHURCHILL UNIT FOR PRODUCTION1-UNIT STORED ON NORTH SIDE OF LOCATION |                   |         |
| Prime Mover         | 1 | SATISFACTORY                 | ARROW GAS ENGINE   |                   |         |
| Gas Meter Run       | 1 | SATISFACTORY                 |  |                   |         |

**Facilities:**  New Tank Tank ID: \_\_\_\_\_

| Contents   | # | Capacity | Type      | SE GPS                |
|------------|---|----------|-----------|-----------------------|
| CONDENSATE | 1 | 200 BBLS | STEEL AST | 37.180240,-102.233560 |

S/A/V: SATISFACTORY Comment: \_\_\_\_\_

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

**Paint**

Condition: \_\_\_\_\_

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                |
|----------------|---|----------|----------|-----------------------|
| PRODUCED WATER | 1 | OTHER    | Open Top | 37.180240,-102.233560 |

S/A/V: SATISFACTORY Comment: FIBERGLASS OPEN TOP WATER TANK W/ADEQUATE WILDLIFE NETTING

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

**Paint**

Condition: \_\_\_\_\_

Inspector Name: Welsh, Brian

Other (Content) \_\_\_\_\_

Other (Capacity) 150BBL \_\_\_\_\_

Other (Type) \_\_\_\_\_

**Berms**

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
|      |          |                     |                     |             |

| Corrective Action | Corrective Date |
|-------------------|-----------------|
|                   |                 |

|         |              |
|---------|--------------|
| Comment | SHARED BERMS |
|---------|--------------|

**Venting:**

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

**Flaring:**

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

**Predrill**

Location ID: 205913

**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: 205913 Type: WELL API Number: 009-06328 Status: PR Insp. Status: SI

**Idle Well**

Purpose:  Shut In  Temporarily Abandoned Reminder: \_\_\_\_\_

S/A/V: ACTION CA Date: 02/14/2015

**CA:** Well must be either:  
1) Per COGCC Rule 326.b.(1) a successful mechanical integrity test shall be performed on each shut-in well within two (2) years of the initial shut-in date or  
2) Be properly plugged and abandoned. Shut-in and temporarily abandoned wells must be properly reported on COGCC Form 7, Operator's Monthly Production Report.

**Comment:** SHUT IN SINCE DEC 2012. WELL IS REQUIRED TO PASS A M.I.T. BY DEC 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:**

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**

**Interim Reclamation:**

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: \_\_\_\_\_

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

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? \_\_\_\_\_ 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

Inspector Name: Welsh, Brian

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       | Pass            | Compaction              | Pass                  |               |                          |         |

S/A/V: SATISFACTOR Corrective Date: \_\_\_\_\_  
Y \_\_\_\_\_

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

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

**Pits:**  NO SURFACE INDICATION OF PIT

**COGCC Comments**

| Comment   | User   | Date       |
|---|--------|------------|
| WELL IS REQUIRED TO PASS A M.I.T. BY DEC 2014. INSTALL LEASE SIGN AT WELLHEAD AND ADD TANK LABELING | welshb | 01/12/2015 |

## **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.)