

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:
01/23/2015

Document Number:
673709373

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>233119</u>	<u>316909</u>	<u>Sherman, Susan</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 24320

Name of Operator: DIAMOND OPERATING, INC.

Address: 6666 GUNPARK DR STE #200

City: BOULDER State: CO Zip: 80301

- 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	
Young, Rob		rob.young@state.co.us	COGCC EPS.

Compliance Summary:

QtrQtr: NWNE Sec: 18 Twp: 4S Range: 53W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
11/30/2011	662000050	PR	PR	ALLEGED VIOLATION			Yes
02/10/2005	200066883	PR	PR	SATISFACTORY		Fail	Yes

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
117631	PIT	AC	09/23/1999		-	DECKER SKIM 1	AC <input type="checkbox"/>
233119	WELL	PR	12/09/2013	OW	121-05141	DECKER 31-18 1	PR <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			
CONTAINERS	ACTION REQUIRED	Blue chemical container at wellhead requires label (see attached photo).	Install sign to comply with rule 210.	02/27/2015
BATTERY	SATISFACTORY			
TANK LABELS/PLACARDS	ACTION REQUIRED	PW, skim tank requires NFPA label (see attached photo).	Install sign to comply with rule 210.	02/27/2015

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	mowed		
UNUSED EQUIPMENT	ACTION REQUIRED	Equipment along W fence (fence down in places) (see attached photo).	Remove unused equipment or determine landowner permission.	02/27/2015

Spills:				
Type	Area	Volume	Corrective action	CA Date
Lube Oil	Pump Jack	<= 5 bbls	Remove or remediate stained soils at pump jack (see attached photos). Fix leak.	02/06/2015

Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	pig panels		

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Pump Jack	1	ACTION REQUIRED	leaking	See Spill section for CA.	02/27/2015
Deadman # & Marked	4	SATISFACTORY			
Veritcal Heater Treater	1	SATISFACTORY	earth berms 39.706417, - 103.356964		
Bird Protectors	2	SATISFACTORY	treater and skim tank		
Ancillary equipment	4	ACTION REQUIRED	chemical container, REA poles, electric panel, propane tank	See Sign section for CA.	02/27/2015
Prime Mover	1	SATISFACTORY	electric		

Facilities: New Tank Tank ID: _____

Inspector Name: Sherman, Susan

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	STEEL AST	39.706817,-103.356936
S/A/V:	ACTION REQUIRED		Comment: insulated, skim tank	
Corrective Action:	See Sign sectin for CA.			Corrective Date: 02/27/2015

Paint

Condition	Adequate
-----------	----------

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficent	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	STEEL AST	,
S/A/V:	SATISFACTORY		Comment: same berms as CO tanks	
Corrective Action:				Corrective Date:

Paint

Condition	Adequate
-----------	----------

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	400 BBLS	STEEL AST	39.706458,-103.356542
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
------	----------	---------------------	---------------------	-------------

Inspector Name: Sherman, Susan

Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate	
Corrective Action					Corrective Date
Comment					

Venting:	
Yes/No	Comment

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

Predrill

Location ID: 233119

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: 233119 Type: WELL API Number: 121-05141 Status: PR Insp. Status: PR

Producing Well

Comment: Oct 2014 reported to COGCC database. SI for spill for prevent water production.

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/A/V: _____ CA Date: _____

CA: _____

Comment: _____

Environmental

Spills/Releases:

Type of Spill: WATER Description: N berm breach Estimated Spill Volume: 5000

Comment: EPS will track Form 19 and any other corrective actions/dates for the spill.

Corrective Action: EPS will document corrective actions and schedule. Date: 01/30/2015

Reportable: YES GPS: Lat _____ Long _____

Proximity to Surface Water: 550 Depth to Ground Water: 43

Water Well:

DWR Receipt Num: 9057170 Owner Name: Ernest Decker GPS : 39.708351 Lat -103.356249 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: pasture

1003a. Debris removed? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? In CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Fail CM _____

CA See Housekeeping section for CA. CA Date 02/27/2015

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
Gravel	Pass	Gravel	Pass	SR	Pass	
Compaction	Fail	Compaction	Pass	MHSP	Fail	

S/A/V: **ACTION REQUIRED** Corrective Date: **02/27/2015**

Comment: **N pit berm breach. Chemical container at wellhead berms require maintenance.**

CA: **Fix berms on pit and chemical container.**

Pits: NO SURFACE INDICATION OF PIT

Pit Type: Produced Water Lined: NO Pit ID: Lat: 39.707083 Long: -103.356939

Lining:

Liner Type: Liner Condition:

Comment:

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Netting Condition:

Comment:

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

Pit (S/A/V): **ACTION** Comment: **Pit ~100'x120'. Oil in boom area on S side of pit (see attached photo).**

Corrective Action: **Remove free oil from S pit.** Date: **01/30/2015**

Pit Type: Produced Water Lined: NO Pit ID: Lat: 39.707478 Long: -103.356953

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 ~200'x120' ice covered. House is ~450' NW of berm breach. On 1/22/2015 berm on N pit was breached from overtopping spilling ~ 5000 BBLs of PW to stock pond to the N. See attached photos. Not 2' of freeboard, ice at level of berm near breach. See previous inspection 662000050 from 11/30/2011.**

Corrective Action: **Lower water level in N pit to below berm breach, repair berm, and maintain 2' freeboard. Remove water from landowner's stock pond. Contact COGCC EPS.** Date: **01/30/2015**

Inspector Name: Sherman, Susan

Pit Type: Skimming/Settling Lined: NO Pit ID: _____ Lat: 39.706656 Long: -103.357119

Lining:

Liner Type: _____ Liner Condition: _____

Comment: Plastic liner over top of pit during remediation.

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

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

Pit (S/A/V): SATISFACTOR Comment: In process of remediation (see attached photo). Confirm Form 27 submittal.

Corrective Action: Date: _____

COGCC Comments

Comment	User	Date
	ShermaSe	01/26/2015

Attached Documents

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

Document Num	Description	URL
673709380	Diamond Decker 1 spill	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3536494

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.)