

**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



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Inspection Date:  
02/12/2015

Document Number:  
673709697

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>233617</u>	<u>316972</u>	<u>Sherman, Susan</u>	<input type="checkbox"/>	

**Operator Information:**

OGCC Operator Number:	<u>71450</u>
Name of Operator:	<u>PONCHO PRODUCTION CO</u>
Address:	<u>HC 2 BOX 14</u>
City:	<u>KEYES</u> State: <u>OK</u> Zip: <u>73947</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
Young, Rob		rob.young@state.co.us	COGCC EPS
Vaclavik, Robert	(866) 767-3600	rpvacvik@gmail.com	
Ikenouye, Teri		teri.ikenouye@state.co.us	COGCC Production

**Compliance Summary:**

QtrQtr: SEnw Sec: 8 Twp: 3S Range: 55W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/27/2009	200203226	PR	PR	SATISFACTORY			No
10/31/2007	200121540	PR	PR	SATISFACTORY			No
10/01/2007	200120032	PR	PR	<b>ACTION REQUIRED</b>			Yes
10/31/2003	200046195	PR	PR	SATISFACTORY		Pass	No
06/26/2003	200040714	PR	PR	<b>ACTION REQUIRED</b>		Fail	Yes
12/07/1995	500158453	PR	PR			Fail	
09/25/1995	500158452	PR	PR			Fail	Yes
05/02/1995	500158451	PR	PR			Fail	Yes

**Inspector Comment:**

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
117777	PIT		09/23/1999		-	JOLLY "D" 1	<input type="checkbox"/>
233617	WELL	PR	08/31/2004	OW	121-05672	JOLLY D-1	PR <input checked="" type="checkbox"/>

**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 Motors: _____	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		ruttid spots on road		

**Signs/Marker:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	ACTION REQUIRED	tanks, propane, VHT, plastic tank at well	Install sign to comply with rule 210.	03/20/2015
TANK LABELS/PLACARDS	ACTION REQUIRED		Install sign to comply with rule 210.	03/20/2015
WELLHEAD	SATISFACTORY			

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

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

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

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

**Good Housekeeping:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	ACTION REQUIRED	Pipe on ground E of tanks and equipment at wellhead (see attached photo).	Remove unused equipment at battery and wellhead.	03/20/2015
DEBRIS	ACTION REQUIRED	Building pieces on ground by treater (see attached photo).	Remove debris.	03/20/2015

**Spills:**

Type	Area	Volume	Corrective action	CA Date
Crude Oil	WELLHEAD	<= 5 bbls	Remove or remediate stained soil at wellhead (see attached photo).	02/23/2015
Crude Oil	Valve	<= 5 bbls	Remove or remediate stained soil at tank valve (see attached photo).	02/23/2015

Multiple Spills and Releases?

**Fencing/:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	barbed wire		
PUMP JACK	SATISFACTORY	steel panels		

PIT	SATISFACTORY	barbed wire		
TANK BATTERY	SATISFACTORY	barbed wire		

<b>Equipment:</b>					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Veritcal Heater Treater	1	<b>ACTION REQUIRED</b>	no berm, 39.80580, -103.56896, concrete pad	See Housekeeping section for CA.	03/20/2015
Pump Jack	1	SATISFACTORY			
Ancillary equipment	4	SATISFACTORY	REA poles at well and battery, electric panel, propane tank,		
Bird Protectors	1	SATISFACTORY	VHT		
Prime Mover	1	SATISFACTORY	electric		
Deadman # & Marked	4	SATISFACTORY			

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

Contents	#	Capacity	Type	SE GPS
OTHER	1	OTHER	OTHER	,

S/A/V: **ACTION REQUIRED** Comment: no labels, plastic tank next to well

Corrective Action: **See Sign section for CA.** Corrective Date: 03/20/2015

**Paint**

Condition

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

Other (Capacity) \_\_\_\_\_

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

**Berms**

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action: **Install secondary containment around tank at well.** Corrective Date: 02/23/2015

Comment: no berm

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

Contents	#	Capacity	Type	SE GPS
OTHER	2	500 BBLs	STEEL AST	39.805980, -103.568880

S/A/V: **ACTION REQUIRED** Comment: No lables

Corrective Action: **See Sign section for CA.** Corrective Date: 03/20/2015

**Paint**

Condition

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

Other (Capacity) \_\_\_\_\_

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

**Berms**

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Insufficient	Base Sufficient	Inadequate

Inspector Name: Sherman, Susan

Corrective Action	Maintain tank berms.	Corrective Date	03/20/2015
Comment			

<b>Venting:</b>	
Yes/No	Comment

<b>Flaring:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 233617

**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: 233617 Type: WELL API Number: 121-05672 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR. Sep 2014 reported to COGCC database.

**Workover**

Comment: PR. Sep 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: rangeland/pasture  
1003a. Debris removed? Fail CM \_\_\_\_\_  
CA See Housekeeping section for CA. CA Date 03/20/2015  
Waste Material Onsite? Pass CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Unused or unneeded equipment onsite? Fail CM \_\_\_\_\_  
CA See Housekeeping section for CA. CA Date 03/20/2015  
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 ? \_\_\_\_\_

Inspector Name: Sherman, Susan

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	Pass					
Gravel	Pass					

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

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

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

**Pits:**  NO SURFACE INDICATION OF PIT

Pit Type: Skimming/Settling Lined: NO Pit ID: \_\_\_\_\_ Lat: 39.805870 Long: -103.568510

**Lining:**

Liner Type: \_\_\_\_\_ Liner Condition: \_\_\_\_\_

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

**Fencing:**

Fencing Type: Livestock Fencing Condition: Adequate

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

**Netting:**

Netting Type: Mesh Netting Condition: Good

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

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

Pit (S/A/V): \_\_\_\_\_ Comment: unlined skim pit, contact COGCC EPS

Corrective Action: \_\_\_\_\_ Date: 02/19/2015

Pit Type: \_\_\_\_\_ Lined: YES Pit ID: \_\_\_\_\_ Lat: 39.805720 Long: -103.568540

**Lining:**

Liner Type: Plastic Liner Condition: \_\_\_\_\_

Comment: black plastic cover in SW corner of pit area

**Fencing:**

Fencing Type: Livestock Fencing Condition: Adequate

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

**Netting:**

Netting Type: \_\_\_\_\_ Netting Condition: \_\_\_\_\_

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

Anchor Trench Present: \_\_\_\_\_ Oil Accumulation: \_\_\_\_\_ 2+ feet Freeboard: \_\_\_\_\_

Pit (S/A/V): ACTION Comment: \_\_\_\_\_

Corrective Action: Contact COGCC EPS on status of plastic covered area. Date: 02/19/2015

Pit Type: Produced Water Lined: NO Pit ID: \_\_\_\_\_ Lat: 39.805740 Long: -103.568240

**Lining:**

Liner Type: \_\_\_\_\_ Liner Condition: \_\_\_\_\_

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

**Fencing:**

Fencing Type: Livestock Fencing Condition: Adequate

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

**Netting:**

Netting Type: \_\_\_\_\_ Netting Condition: \_\_\_\_\_

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

Anchor Trench Present: \_\_\_\_\_ Oil Accumulation: NO 2+ feet Freeboard: \_\_\_\_\_

Pit (S/A/V): ACTION Comment: Called pumper to lower water level in pit to 2' free board.

Corrective Action: Lower water level in pit to attain 2' freeboard. Date: 02/18/2015

**Attached Documents**

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

Document Num	Description	URL
673709726	Poncho Production Jolly D-1	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3551212">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3551212</a>

## **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.)