

Inspector Name: Sherman, Susan

**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:
02/12/2015Document Number:
673709697

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

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

Operator Information:OGCC Operator Number: 71450Name of Operator: PONCHO PRODUCTION COAddress: HC 2 BOX 14City: KEYES State: OK Zip: 73947

- ☐ 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	ACTION REQUIRED			Yes
10/31/2003	200046195	PR	PR	SATISFACTORY		Pass	No
06/26/2003	200040714	PR	PR	ACTION REQUIRED		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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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		rutted 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		

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PIT	SATISFACTORY	barbed wire		
TANK BATTERY	SATISFACTORY	barbed wire		

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Veritcal Heater Treater	1	ACTION REQUIRED	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

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

Venting:	
Yes/No	Comment

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

Predrill

Location ID: 233617

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

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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 ? _____

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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

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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/](https://cogcc.state.co.us/webblink/)) and search by document number:

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

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.)