

**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:  
03/13/2015

Document Number:  
674900363

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>214362</u>	<u>325230</u>	<u>Hughes, Jim</u>	<input type="checkbox"/>	

**Operator Information:**

OGCC Operator Number:	<u>10254</u>
Name of Operator:	<u>RED MESA HOLDINGS/O&amp;G LLC</u>
Address:	<u>5619 DTC PARKWAY - STE 800</u>
City:	<u>GREENWOOD</u> State: <u>CO</u> Zip: <u>80111</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
Labowskie, Steve		steve.labowskie@state.co.us	
Lionette, Dave	(303) 957-2038	dlionette@madisoncap.com	
Fischer, Alex		alex.fischer@state.co.us	

**Compliance Summary:**

QtrQtr: SWSW Sec: 23 Twp: 33N Range: 12W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
09/16/2013	663401194	PR	PR	ACTION REQUIRED	I		No
08/17/2009	200216910	PR	PR	SATISFACTORY			No
01/04/2008	200124391	PR	PR	ACTION REQUIRED			Yes
12/04/2007	200123255	PR	PR	SATISFACTORY			Yes
09/05/2007	200121332	PR	PR	ACTION REQUIRED			Yes
09/05/2007	200121392	PR	PR	ACTION REQUIRED			Yes
05/22/2007	200112657	PR	PR	ACTION REQUIRED		Fail	Yes
11/22/2002	200032801	ES	PR	SATISFACTORY		Pass	No
11/20/2002	200032347	ES	PR	SATISFACTORY		Pass	No
09/24/2002	200030777	CO	PR	ACTION REQUIRED			Yes
07/26/2002	200030496	CO	PR	ACTION REQUIRED		Fail	Yes
07/26/2002	200030765	ES	PR	ACTION REQUIRED			
07/26/2002	200030823	ES	PR	SATISFACTORY		Pass	No
07/10/2002	200030815	PR	PR	SATISFACTORY		Pass	No
05/16/2002	200028067	CO	PR	SATISFACTORY		Fail	Yes
01/11/2002	200030812	CO	PR	ACTION REQUIRED		Fail	Yes
08/12/1997	500147262	PR	PR			Pass	No
06/12/1996	500147261	PR	PR			Pass	No
08/10/1995	500147260	PR	PR				Yes

**Inspector Comment:**

On March 13, 2015 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Red Mesa Holdings JCK #1, accompanied by the land owner, Scott Herrera. This inspection was the result of Mr. Herrera contacting the COGCC to express concerns about Red Mesa wells that are on his property. For the most recent field inspection report of this facility, please refer to document #663401194. The overall inspection status of this report shall remain the same as that document until all corrective actions have been performed.

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
214362	WELL	PR	08/31/2007	OW	067-05765	J C K 1	EI	<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**

**Lease Road:**

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Main	SATISFACTORY			

**Signs/Marker:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	SATISFACTORY			
BATTERY	<b>ACTION REQUIRED</b>	Battery needs a sign listing all wells serviced by facility.	Install sign to comply with rule 210.b.2.	<b>04/13/2015</b>
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	<b>ACTION REQUIRED</b>	Concrete pad that served as base for compressor. 55 gal. drum loading device on pad.	Remove unused equipment from location.	04/13/2015

**Spills:**

Type	Area	Volume	Corrective action	CA Date
Crude Oil	WELLHEAD	<= 5 bbls	Remove/remediate impacted soil near well head.	03/23/2015

Crude Oil	Flow Line	<= 5 bbls	Open excavation where flow line was repaired. Oil on water in bottom of excavation. Remove impacted material from bottom of hole.	03/23/2015
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Multiple Spills and Releases?

**Fencing/:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
PUMP JACK	SATISFACTORY			

**Equipment:**

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Bird Protectors	1	SATISFACTORY			
Pump Jack	1	SATISFACTORY			
Gas Meter Run	2	SATISFACTORY			
Horizontal Heated Separator	1	SATISFACTORY			

**Facilities:**

New Tank Tank ID: \_\_\_\_\_

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	300 BBLs	STEEL AST	37.083442,-108.127745
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
Metal	Adequate	Walls Insufficient	Base Sufficient	Inadequate
Corrective Action	Repair containment ring to prevent fluids from leaking onto and off of location.			Corrective Date 03/23/2015
Comment	Fluids leaking from SW corner of containment.			

**Facilities:**

New Tank Tank ID: \_\_\_\_\_

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2	300 BBLs	STEEL AST	37.083442,-108.127745
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: Hughes, Jim

Metal	Adequate	Walls Insufficient	Base Sufficient	Inadequate	
Corrective Action	Repair secondary containment to prevent fluids from leaking onto and off of location.			Corrective Date	03/23/2015
Comment	Fluids are leaking from containment in SW corner.				

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

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

**Predrill**

Location ID: 214362

**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: 214362 Type: WELL API Number: 067-05765 Status: PR Insp. Status: EI

**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: \_\_\_\_\_

1003a. Debris removed? \_\_\_\_\_ CM \_\_\_\_\_  
 CA \_\_\_\_\_ CA Date \_\_\_\_\_  
 Waste Material Onsite? \_\_\_\_\_ CM \_\_\_\_\_  
 CA \_\_\_\_\_ CA Date \_\_\_\_\_  
 Unused or unneeded equipment onsite? \_\_\_\_\_ CM \_\_\_\_\_  
 CA \_\_\_\_\_ CA Date \_\_\_\_\_  
 Pit, cellars, rat holes and other bores closed? \_\_\_\_\_ 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: \_\_\_\_\_

Inspector Name: Hughes, Jim

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
				MHSP	Pass	Load out cans at tank valves.
Compaction	Pass	Compaction	Pass	SR	Pass	Spill kit near tank battery.

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

Y

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

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

Pits:  NO SURFACE INDICATION OF PIT

**Attached Documents**

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

Inspector Name: Hughes, Jim

Document Num	Description	URL
674900364	Oil stained well head and surrounding soil.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568937">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568937</a>
674900365	Open excavation with oil on storm water puddle.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568938">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568938</a>
674900366	Tank battery with compromised containment.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568939">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568939</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.)