

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:
03/18/2015

Document Number:
674900396

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>214937</u>	<u>325520</u>	<u>Hughes, Jim</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10254</u>
Name of Operator:	<u>RED MESA HOLDINGS/O&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
Fischer, Alex		alex.fischer@state.co.us	
Lionette, Dave	(303) 957-2038	dlionette@madisoncap.com	
Ellsworth, Stuart		stuart.ellsworth@state.co.us	
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
Labowskie, Steve		steve.labowskie@state.co.us	

Compliance Summary:

QtrQtr: NENE Sec: 32 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)
07/28/2011	200317760	PR	TA	ACTION REQUIRED			Yes
08/22/1997	500148087	PR	PR			Pass	No
07/15/1996	500148086	PR	PR			Pass	No
12/04/1995	500148085	PR	PR			Fail	Yes

Inspector Comment:

On March 18, 2015 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Red Mesa Holdings Taylor #2 32-1. For the most recent field inspection report of this facility, please refer to document #200317760. 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	
214937	WELL	TA	04/30/2014	OW	067-06542	TAYLOR NO.2 32-1	EI	<input checked="" type="checkbox"/>

Equipment:

Location Inventory

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Inspector Name: Hughes, Jim

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	ACTION REQUIRED	Access road has washed out.	Repair access road to allow access to location.	05/20/2015
Main	SATISFACTORY			

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	ACTION REQUIRED	Wrong operator listed on location sign.	Install sign to comply with rule 210.	04/20/2015

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WEEDS	ACTION REQUIRED	Vegetation throughout location. Well head is obscured by brush and weeds.	Remove overgrown vegetation from access road and location.	04/20/2015
DEBRIS	ACTION REQUIRED	Unused pallets and boards around well head and on location. Steel cable on edge of ravine.	Remove debris and unused equipment from location.	04/20/2015

Spills:

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 214937

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: 214937 Type: WELL API Number: 067-06542 Status: TA 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:

	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? _____ 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: _____

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
		Culverts	Fail			Access road has been washed out.

S/A/V: **ACTION REQUIRED** Corrective Date: **05/20/2015**

Comment: **Access road has washed out in drainage bottom. Poly pipe exposed in washed out section.**

CA: **Repair access road to allow vehicle access to location.**

Pits: NO SURFACE INDICATION OF PIT

Pit Type: _____ Lined: NO Pit ID: _____ Lat: 37.067291 Long: -108.165317

Lining:

Liner Type: _____ Liner Condition: _____

Comment: Unlined pit on SE edge of location.

Fencing:

Fencing Type: None Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

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

Pit (S/A/V): _____ Comment: **Unlined pit on SE edge of location. Pit is located on the edge of the ravine to the E of location. Exposed pipe and valve protrude from underneath the pit berm to the east.**

Corrective Action: **Close pit per 900 series Rules.** Date: **05/20/2015**

Attached Documents

Inspector Name: Hughes, Jim

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

Document Num	Description	URL
674900401	Taylor #2 32-1 well head	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3573307
674900402	Unlined pit on SE edge of location.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3573308
674900403	Steel pipe and valve protruding through pit berm	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3573309
674900404	Washed out access road.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3573310

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.)