

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:
03/30/2015

Document Number:
674601673

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>Maclaren, Joe</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
Labowskie, Steve		steve.labowskie@state.co.us	
T., Alfred	(856) 767-3000 ext. 11	atgiuliano@giulianomiller.com	Red Mesa Trustee

Compliance Summary:

QtrQtr: <u>SWSW</u>		Sec: <u>23</u>		Twp: <u>33N</u>		Range: <u>12W</u>	
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
03/13/2015	674900363	PR	EI	ACTION REQUIRED			No
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	200121392	PR	PR	ACTION REQUIRED			Yes
09/05/2007	200121332	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	200030823	ES	PR	SATISFACTORY		Pass	No
07/26/2002	200030496	CO	PR	ACTION REQUIRED		Fail	Yes
07/26/2002	200030765	ES	PR	ACTION REQUIRED			
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

Inspector Name: Maclaren, Joe

08/10/1995	500147260	PR	PR			Yes
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Inspector Comment:

This well is currently shut in (casing and tubing closed at wellhead). The Actions Required outlined on the previous inspection doc# 674900363 performed on 03/13/2015 have not been completed.

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	SI	<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

Emergency Contact Number (S/A/V): ACTION Corrective Date: 04/13/2015

Comment: **No response from operator when emergency contact number dialed; Voicemail only; No return phone call.**

Corrective Action: **Maintain working 24 hr operator emergency contact number; Must be able to reach operator at all times; or change well sign and update the new emergency contact information.**

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	ACTION REQUIRED	Action Required not completed; 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	Flow Line	<= 5 bbls	Action Required not completed; Open excavation where flow line was repaired. Oil on water in bottom of excavation. Remove impacted material from bottom of hole.	04/13/2015
Crude Oil	WELLHEAD	<= 5 bbls	Action Required not completed; Remove/remediate impacted soil near well head.	04/13/2015

Multiple Spills and Releases?

Facilities:

New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL		300 BBLS	STEEL AST	37.083442,-108.127745
S/A/V: SATISFACTORY	Comment:			
Corrective Action:				Corrective Date:

Paint

Inspector Name: Maclaren, Joe

Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal				Inadequate
Corrective Action	Action Required not completed; Repair metal berm/ liner to prevent fluids from leaking on to well pad.			Corrective Date 04/13/2015
Comment	Fluids leaking from SW corner of containment.			

Venting:	
Yes/No	Comment

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

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Predrill

Location ID: 214362

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

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/AV: _____ CA Date: _____

CA: Last production reported November 2014 (Oil and Gas).

Comment: _____

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? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Fail CM _____

CA Remove unused equipment CA Date 04/13/2015

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 ? Pass

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

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? Pass Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Inspector Name: Maclaren, Joe

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____ I _____

Comment: _____

Overall Interim Reclamation In Process

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	Compaction	Pass			

S/A/V: _____ Corrective Date: _____

Comment: Stormwater erosion channel observed behind battery on North side well pad.

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:

Document Num	Description	URL
674601674	JCK #1 Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3584197

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.)