

Smith Oil Properties, Inc.
P.O. Box 219
Byers, CO 80103

April ²⁹~~24~~, 2015

Colorado Oil and Gas Conservation Commission
1120 Lincoln St., #801
Denver, CO 80203

Attn: Bob Chesson

Re: Field Inspection dated March 26, 2015, Facility ID 241490
Status of Corrective Action and Request for Re-inspection

Operator: Smith Oil Properties, Inc. (#79905)

Dear Sir:

Please be advised that as of the above date the following Corrective Action(s) have been taken with regard to Comments in the captioned field inspection form:

Page 2:

Two (2) unused 400 bbl. tanks, junk and trash were removed from the location and disposed of properly through Shorty's Oilfield Service. Junk metal was transported for recycling to a metal disposal yard in Commerce City

Accumulated oily waste inside the header shed (and the metal shed itself) was removed and disposed of properly. Fittings and valves were tightened or otherwise repaired to eliminate leaks (all lines are currently either unused or disconnected)

Investigation of soil and water conditions on the former location of the 400 bbl. produced water tank has begun and is in process.

Accumulations of oily waste inside the vertical separator sheds have been removed and disposed of properly. Impacted soil was transported to a Waste Management commercial facility which is authorized to accept the same for disposal.

Page 3:

The unused separator has been removed from the location and transported to the storage yard for Smith Oil Properties, Inc. Oily waste has been cleaned and disposed of properly.

A label providing notice of tank capacity has been placed on the tank
Secondary containment during routine maintenance has been improved by construction of an enlarged earthen berm around the production tank.

Page 3: (continued)

Investigation of soil and water conditions on the former location of the 400 bbl. produced water tank has begun and is in process (see above).

Page 5:

The site has been cleaned of oily waste has been removed from the location and disposed of properly. The separator was transported to Smith Oil Properties, Inc. storage yard.

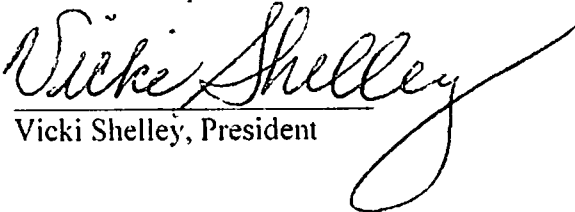
Volumes of oily waste at tank battery, vertical separators and header shed were determined to be less than the reporting thresholds under Rule 906. Consequently there is no requirement for submitting an eForm 19.

Form 27 concerning impacts from operations conducted by Smith Oil Properties, Inc. at the site (shared with Noble Energy, Inc.) are being prepared by an environmental expert consultant (Access Environmental) on behalf of Smith and will be submitted by the deadline of May 4, 2015.

Discussions concerning further investigation of the entire common site have been undertaken between Smith Oil Properties, Inc. and Noble Energy, Inc. in an attempt to jointly cooperate in evaluation and remediation of soil and water impacted by historical oil and gas production operations conducted by their common predecessor in interest (Kaiser Francis Oil Company) which operated the site from 1986 until 2005. .

Accordingly, Smith Oil Properties, Inc. requests a re-inspection be conducted to confirm that, having conducted and undertaking the corrective actions described above, requirements set out in the captioned Field Inspection Report have been satisfied.

Smith Oil Properties, Inc.


Vicki Shelley, President