

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:
05/18/2015

Document Number:
673710417

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>434004</u>	<u>434005</u>	<u>Sherman, Susan</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10446</u>
Name of Operator:	<u>MUSTANG CREEK OPERATING LLC</u>
Address:	<u>5251 DTC PARKWAY #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
Ikenouye, Teri	(303) 894-2100 X5128	teri.ikenouye@state.co.us	COGCC Production
Ward, Stewart	(480) 751-7833	sward@fifthcreekenergy.com	agent

Compliance Summary:

QtrQtr:	<u>NWSW</u>	Sec:	<u>1</u>	Twp:	<u>13S</u>	Range:	<u>60W</u>
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Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
06/23/2014	673704430	DG	DG	ACTION REQUIRED			No
03/11/2014	673701586	DG	DG	SATISFACTORY			No
02/04/2014	673701183	DG	DG	SATISFACTORY			No
01/10/2014	673700839	XX	DG	SATISFACTORY			No
01/08/2014	673700773	XX	DG	SATISFACTORY			No

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
434004	WELL	DG	01/13/2014	LO	041-06082	Graham 1-13	DG <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits:	<u>1</u>	Drilling Pits:	<u>4</u>	Wells:	<u>1</u>	Production Pits:	<u> </u>
Condensate Tanks:	<u> </u>	Water Tanks:	<u>2</u>	Separators:	<u>1</u>	Electric Motors:	<u>4</u>
Gas or Diesel Mortors:	<u> </u>	Cavity Pumps:	<u> </u>	LACT Unit:	<u> </u>	Pump Jacks:	<u>1</u>
Electric Generators:	<u> </u>	Gas Pipeline:	<u> </u>	Oil Pipeline:	<u> </u>	Water Pipeline:	<u> </u>
Gas Compressors:	<u> </u>	VOC Combustor:	<u>1</u>	Oil Tanks:	<u>4</u>	Dehydrator Units:	<u> </u>
Multi-Well Pits:	<u> </u>	Pigging Station:	<u> </u>	Flare:	<u> </u>	Fuel Tanks:	<u>1</u>

Location

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	ACTION REQUIRED	Lease sign at Davenport Rd. and location sign on fence.	Install sign to comply with rule 210.	06/15/2015

Emergency Contact Number (S/A/V): ACTION Corrective Date: 06/15/2015

Comment: Emergency contact no longer works for company.

Corrective Action: Update emergency contact number.

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WEEDS		mowed per last inspection		

Spills:				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	WELLHEAD	<= 5 bbls	Remove or remediate stained soil at wellhead (see attached photo).	06/15/2015

Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
LOCATION	SATISFACTORY	barbed wire		

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Deadman # & Marked	4	SATISFACTORY			

Venting:	
Yes/No	Comment

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

Predrill

Location ID: 434004

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	notojohn	The flare pit that is shown on the proposed rig layout attachment shall comply with applicable permitting requirements in Rule 903.b.(2).	08/13/2013

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: 434004 Type: WELL API Number: 041-06082 Status: DG Insp. Status: DG

Well Drilling

Rig: Rig Name: _____ Pusher/Rig Manager: _____
 Permit Posted: _____ Access Sign: _____

Well Control Equipment:

Pipe Ram: _____ Blind Ram: _____ Hydril Type: _____
 Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids

Management:

Lined Pit: _____ Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
Multi-Well: _____ Disposal Location: _____

Comment:

Forms 5A and 5F in process, check with COGCC Engineering.

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: RANGELAND
Comment: Bresser sandy loam soil type, large fenced location
1003a. Debris removed? _____ CM _____ CA _____ CA Date _____
Waste Material Onsite? _____ CM _____ CA _____ CA Date _____
Unused or unneeded equipment onsite? _____ CM pipe stored CA _____ CA Date _____
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 _____

Inspector Name: Sherman, Susan

1003b. Area no longer in use? _____ Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass Subsidence over on drill pit? In
 Cuttings management: Analytical data from drill pit cuttings requested by COGCC Inspector.

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: RANGELAND

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
Waddles	Pass	Waddles	Pass			
Slope Roughening	Pass					
Berms	Pass	Culverts	Pass			
Compaction	Pass	Compaction	Pass			
Ditches	Pass	Ditches	Pass			
Gravel	Pass	Gravel	Pass			

Inspector Name: Sherman, Susan

S/A/V: SATISFACTOR Corrective Date: _____
Y _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Submit Form 7 to COGCC Production.	ShermaSe	05/19/2015
Contacted operator's agent and he will address corrective actions for this inspection right away.		

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.)