

Inspector Name: Sherman, Susan

**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 |
|----|----|----|----|
|----|----|----|----|

Inspection Date:
06/02/2015Document Number:
673710557Overall Inspection:
SATISFACTORY**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 236381 | 317106 | Sherman, Susan | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 24320Name of Operator: DIAMOND OPERATING, INC.Address: 6666 GUNPARK DR STE #200City: BOULDER State: CO Zip: 80301

- ☒ 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 |
|----------------|----------------|--------------------------|---------|
| Young, Rob | | rob.young@state.co.us | |
| Peterson, Dave | (303) 949-4420 | davep@flatironenergy.com | |

Compliance Summary:QtrQtr: SESE Sec: 16 Twp: 3S Range: 52W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 11/21/2011 | 664000149 | PR | SI | ACTION REQUIRED | P | | No |
| 08/12/2010 | 200272042 | SR | PR | SATISFACTORY | | | No |
| 12/04/2007 | 200123204 | PR | PR | SATISFACTORY | | | No |
| 10/07/1997 | 500159361 | ES | PR | | | Fail | Yes |
| 12/10/1996 | 500159360 | PR | PR | | | Pass | No |
| 12/18/1995 | 500159359 | PR | PR | | | Pass | No |
| 10/10/1995 | 500159358 | PR | PR | | | Fail | Yes |
| 09/12/1995 | 500159357 | PR | PR | | | Fail | Yes |

Inspector Comment:**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|-------------------------------------|
| 236381 | WELL | PR | 08/01/2011 | OW | 121-08871 | STATE 2-16 | PR | <input checked="" type="checkbox"/> |

Equipment:Location Inventory

Inspector Name: Sherman, Susan

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| 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

Signs/Marker:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|----------------------|------------------------------|---------|-------------------|---------|
| CONTAINERS | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |
| BATTERY | SATISFACTORY | | | |
| WELLHEAD | SATISFACTORY | | | |

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|-----------|---------------|-----------|--|------------|
| Crude Oil | WELLHEAD | <= 5 bbls | Historic oil at wellhead (see attached photo). | 07/10/2015 |
| Crude Oil | Truck Loadout | <= 5 bbls | Inside tank berms (see attached photo). | 07/10/2015 |

☐ Multiple Spills and Releases?

Fencing/:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|----------|------------------------------|--------------|-------------------|---------|
| WELLHEAD | SATISFACTORY | steel panels | | |

Equipment:

| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|-------------------------|---|------------------------------|--|-------------------|---------|
| Veritcal Heater Treater | 1 | SATISFACTORY | shed, berms 39.78502, - 103.30454 | | |
| Bird Protectors | 1 | SATISFACTORY | VHT | | |
| Ancillary equipment | 5 | SATISFACTORY | REA poles @ wellhead and tank battery, chemical containers, propane tank @ VHT | | |
| Progressive Cavity | 1 | SATISFACTORY | | | |
| Deadman # & Marked | 4 | SATISFACTORY | | | |

Inspector Name: Sherman, Susan

| | | | | | |
|---------------------|---|--------------|---|--|--|
| Ancillary equipment | 3 | SATISFACTORY | REA poles @ wellhead and tank battery, chemical containers (one needs secondary containment-see attached photo), shed at wellhead | | |
|---------------------|---|--------------|---|--|--|

Facilities:

☐ New Tank

Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------------|---|----------|----------------|--------|
| PRODUCED WATER | 1 | 200 BBLS | FIBERGLASS AST | , |

S/A/V: SATISFACTORY Comment: same berms as 500 BBL produced water tank

| | | | |
|--------------------|--|------------------|--|
| Corrective Action: | | Corrective Date: | |
|--------------------|--|------------------|--|

Paint

| | |
|-----------|--|
| Condition | |
|-----------|--|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
| | | | | |

| | | | |
|-------------------|--|-----------------|--|
| Corrective Action | | Corrective Date | |
|-------------------|--|-----------------|--|

| | |
|---------|--|
| Comment | |
|---------|--|

Facilities:

☐ New Tank

Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|-----------|---|----------|------------------|--------|
| CRUDE OIL | 1 | 500 BBLS | HEATED STEEL AST | , |

S/A/V: SATISFACTORY Comment: same berms as crudel oil uninsulated tank

| | | | |
|--------------------|--|------------------|--|
| Corrective Action: | | Corrective Date: | |
|--------------------|--|------------------|--|

Paint

| | |
|-----------|--|
| Condition | |
|-----------|--|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
| | | | | |

| | | | |
|-------------------|--|-----------------|--|
| Corrective Action | | Corrective Date | |
|-------------------|--|-----------------|--|

| | |
|---------|--|
| Comment | |
|---------|--|

Facilities:

☐ New Tank

Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------------|---|----------|-----------|-----------------------|
| PRODUCED WATER | 1 | 500 BBLS | STEEL AST | 39.785100,-103.204790 |

S/A/V: SATISFACTORY Comment:

| | | | |
|--------------------|--|------------------|--|
| Corrective Action: | | Corrective Date: | |
|--------------------|--|------------------|--|

Inspector Name: Sherman, Susan

| | | | | |
|---|------------------------------|---------------------|---------------------|-----------------------|
| Paint Condition | | | | |
| Other (Content) | | | | |
| Other (Capacity) | | | | |
| Other (Type) | | | | |
| Berms | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Earth | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |
| Facilities: <input type="checkbox"/> New Tank Tank ID: _____ | | | | |
| Contents | # | Capacity | Type | SE GPS |
| CRUDE OIL | 1 | 500 BBLS | STEEL AST | 39.784990,-103.204000 |
| S/A/V: | SATISFACTORY | | Comment: | |
| Corrective Action: | | | | Corrective Date: |
| Paint | | | | |
| Condition | | | | |
| Other (Content) | | | | |
| Other (Capacity) | | | | |
| Other (Type) | | | | |
| Berms | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Earth | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |
| Venting: | | | | |
| Yes/No | Comment | | | |
| | | | | |
| Flaring: | | | | |
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| | | | | |

Predrill

Location ID: 236381

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:**S/A/V:** SATISFACTORY **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: 236381 Type: WELL API Number: 121-08871 Status: PR Insp. Status: PR

Producing Well

Comment: PR. Mar 2015 reported to COGCC database.

Environmental**Spills/Releases:**

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____ Date: _____

Reportable: _____ GPS: Lat _____ Long _____

Inspector Name: Sherman, Susan

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: **crop field , Weld silt loam soil type, pit berms eroding into crop field (see attached photos)**

1003a. Debris removed? Pass CM _____
CA _____ CA Date _____
Waste Material Onsite? _____ CM _____
CA _____ CA Date _____
Unused or unneeded equipment onsite? _____ CM **See wellhead photo**
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 _____

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? _____

Inspector Name: Sherman, Susan

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Gravel | Pass | Gravel | Pass | SR | Pass | |
| Compaction | Pass | Compaction | Pass | MHSP | Pass | |

S/A/V: SATISFACTOR
Y _____

Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 39.785130 Long: -103.205130

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: NO 2+ feet Freeboard: _____

Pit (S/A/V): SATISFACTOR Comment: _____

Corrective Action: _____ Date: _____

Inspector Name: Sherman, Susan

Pit Type: Skimming/Settling Lined: NO Pit ID: _____ Lat: _____ Long: _____

Lining:

Liner Type: _____ Liner Condition: _____

Comment: open steel tank

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: Mesh Netting Condition: Gaps

Comment: fix gaps (see attached photo)

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

Pit (S/A/V): _____ Comment: _____

Corrective Action: _____ Date: _____

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 39.784930 Long: -103.205770

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: NO 2+ feet Freeboard: _____

Pit (S/A/V): SATISFACTOR Comment: _____

Corrective Action: _____ Date: _____

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 39.785230 Long: -103.205930

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: NO 2+ feet Freeboard: _____

Pit (S/A/V): SATISFACTOR Comment: _____

Corrective Action: _____ Date: _____

Inspector Name: Sherman, Susan

| | | | | |
|------------------------------|--|--------------------------|------------|-------------|
| Pit Type: Skimming/Settling | Lined: _____ | Pit ID: _____ | Lat: _____ | Long: _____ |
| Lining: | | | | |
| Liner Type: _____ | Liner Condition: _____ | | | |
| Comment: _____ | | | | |
| Fencing: | | | | |
| Fencing Type: _____ | Fencing Condition: _____ | | | |
| Comment: _____ | | | | |
| Netting: | | | | |
| Netting Type: _____ | Netting Condition: _____ | | | |
| Comment: _____ | | | | |
| Anchor Trench Present: _____ | Oil Accumulation: _____ | 2+ feet Freeboard: _____ | | |
| Pit (S/A/V): _____ | Comment: Pit west of open skim tank with mesh over is covered with plastic (see attached photo). | | | |
| Corrective Action: _____ | _____ | | | Date: _____ |

COGCC Comments

| Comment | User | Date |
|------------------------------------|----------|------------|
| Form 27 and 5 active pits on file. | ShermaSe | 06/14/2015 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------------------|---|
| 673710650 | Diamond, State 2-16 REINSPECTION | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3625113 |