

FORM INSP <small>Rev 05/11</small>	State of Colorado Oil and Gas Conservation Commission <small>1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109</small>		DE	ET	OE	ES
						Inspection Date: <u>07/11/2015</u>
						Document Number: <u>680300037</u>
						Overall Inspection: <b style="border: 1px solid red; padding: 2px;">ACTION REQUIRED
Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>		
<u>219083</u>	<u>312152</u>	<u>SCHURE, KYM</u>	<u>2A Doc Num:</u>			

Operator Information:

OGCC Operator Number: 10380

Name of Operator: BENCHMARK ENERGY LLC

Address: PO BOX 8747

City: PRATT State: KS Zip: 67124

- 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	
Axelson, John		john.axelson@state.co.us	
Nash, Jerry	(316) 218-8184	jerry@benchmarkenergy.us	All Inspections
Quint, Craig		craig.quint@state.co.us	

Compliance Summary:

QtrQtr: SWSW Sec: 7 Twp: 8N Range: 53W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
11/06/2014	667200636	SI	PR	ACTION REQUIRED			No
10/07/2014	678200002	PR	EI	ACTION REQUIRED			No
07/23/2014	667200229	PR	PR	ALLEGED VIOLATION			Yes
11/06/2013	670600028			ACTION REQUIRED			No
07/11/2012	663300295	PR	PR	ACTION REQUIRED			No
08/27/2007	200118775	MT	TA	SATISFACTORY			No
05/20/2004	200055615	ES		ACTION REQUIRED		Fail	Yes
08/22/2002	200029783	MT	TA	SATISFACTORY		Pass	No

Inspector Comment:

Spill Response Inspection: COGCC N.E. Colorado Field Office (Kym Schure, Inspector) recieved a telephone notification from Benchmark Energy LLC (Jerry Nash) reporting a crude oil release from a ruptured flow line associated to the NW Graylin D Sand Unit 33. Upon inspection of the spill/release an area approximately 100' x 60' of surface exhibited crude oil on the surface of the pasture. The GPS coordinates taken from the southeast edge of the effected surface area, lat. 40.67027 long. -103.35161 approximately. The flowline appears to follow a direction beginning at the wellhead in northwesternly direction leading to the tank battery across Logan County Road 25. Photographs attached.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
219083	WELL	SI	12/14/2014	OW	075-05908	NW GRAYLIN D SAND UNIT 33	SI <input type="checkbox"/>

Equipment: Location Inventory

Inspector Name: SCHURE, KYM

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
WELLHEAD	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	Flow Line	> 5 bbls	Contact COGCC Environmental Group for directives. Follow Rule 906 reported requirements.	07/31/2015

Multiple Spills and Releases?

Fencing/:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
LOCATION	SATISFACTORY			

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Other	0	SATISFACTORY	No change in equipment		

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 219083

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:

Environmental

Spills/Releases:

Type of Spill: OIL Description: Flow line rupture Estimated Spill Volume: 5

Comment: Contact COGCC Environmental Group for directives.

Corrective Action: Contact COGCC Environmental for directives. Follow COGCC Rule 906 reporting Date: 07/31/2015

Reportable: YES GPS: Lat 40.670270 Long -103.351610

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: _____

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
Gravel	Pass	Other	Pass			

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

Comment: Continue BMP's for stormwater runoff erosion control and maintenance.

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
680300038	Surface @ release area viewed in a northwesternly direction.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3641016
680300039	Surface @ release area viewed in a northernly direction	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3641017
680300040	Surface area of release	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3641018
680300041	Possible eruption point of release	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3641019
680300042	Equipment damaged at spill area resulting in burned vegetation.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3641020

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.)