

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:
07/16/2015

Document Number:
673710940

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>238062</u>	<u>317318</u>	<u>Sherman, Susan</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>24320</u>
Name of Operator:	<u>DIAMOND OPERATING, INC.</u>
Address:	<u>6666 GUNPARK DR STE #200</u>
City:	<u>BOULDER</u> State: <u>CO</u> Zip: <u>80301</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
Young, Rob		rob.young@state.co.us	
Peterson, Dave	(303) 949-4420	davep@flatironenergy.com	

Compliance Summary:

QtrQtr: NESW Sec: 11 Twp: 2S Range: 56W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/06/2010	200277641	PR	PR	SATISFACTORY	I		No
08/17/2010	200273284	SR	PR	ACTION REQUIRED			Yes
08/22/2008	200196550	PR	PR	SATISFACTORY			Yes
09/25/2007	200119570	PR	PR	SATISFACTORY			No
08/18/2005	200076162	PR	SI	ACTION REQUIRED		Fail	Yes
08/27/2003	200043719	PR	PR	SATISFACTORY		Pass	No
06/27/2003	200040731	PR	PR	ACTION REQUIRED		Fail	Yes
03/09/1998	500160098	PR	SI			Pass	No
09/09/1996	500160097	DG	DG			Pass	No

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
238062	WELL	PR	03/01/2012	OW	121-10565	KEJR 23-11	PR <input checked="" type="checkbox"/>

Equipment:

Location Inventory

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Inspector Name: Sherman, Susan

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Motors: _____	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

Lease Road:

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY	recently graded, well maintained and no weeds		

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	SATISFACTORY			
TANK LABELS/PLACARDS	ACTION REQUIRED	(three black tanks belonging to the landowner on eastern bank of south pit not labeled, not bermed and hose going into produced water pit)	Install sign to comply with rule 210.	08/04/2015
WELLHEAD	SATISFACTORY			
CONTAINERS	SATISFACTORY			
OTHER	SATISFACTORY	treater		

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WEEDS		control weeds at well location (see attached photo)		

Spills:

Type	Area	Volume	Corrective action	CA Date
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Multiple Spills and Releases?

Fencing/:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
PUMP JACK	SATISFACTORY	steel mesh		

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Deadman # & Marked	4	SATISFACTORY			
Prime Mover	1	SATISFACTORY	electric		
Ancillary equipment	4	SATISFACTORY	propane tank @ treater, electric panel at wellhead, 2 chemical containers at wellhead		
Veritcal Heater Treater	1	SATISFACTORY	shed, berms, 39.89536, -104.62307		
Pump Jack	1	SATISFACTORY			
Bird Protectors	2	SATISFACTORY	on treater and skim tank		

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS	
PRODUCED WATER	1	300 BBLS	STEEL AST	,	
S/A/V: SATISFACTORY	Comment: same berms as crude oil tanks				
Corrective Action:				Corrective Date:	

Paint

Condition	Adequate
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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	2	300 BBLS	STEEL AST	39.895570,-103.623070	
S/A/V: SATISFACTORY	Comment:				
Corrective Action:				Corrective Date:	

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficent	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: 238062

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

S/A/V: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/A/V: SATISFACTORY **Comment:** No COAs.

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: 238062 Type: WELL API Number: 121-10565 Status: PR Insp. Status: PR

Producing Well

Comment: PR. Apr 2015 reported to COGCC database.

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: _____

Comment: crop field

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

Inspector Name: Sherman, Susan

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
Berms	Fail					
Compaction	Pass	Compaction	Pass	MHSP		
Gravel	Pass			SR	Pass	

S/A/V: _____ Corrective Date: _____

Comment: Maintain berms around chemical containers at wellhead (see attached photo). Pit berms are eroding into crop field (see attached photos).

CA: Install stormwater BMPs to prevent pit berms from carrying sediment to field.

Pits: NO SURFACE INDICATION OF PIT

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 39.896390 Long: -103.623230

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: 55'x150', north pit

Corrective Action: _____ Date: _____

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 39.896010 Long: -103.623010

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: 55'x125', south pit

Corrective Action: _____ Date: _____

Pit Type: Skimming/Settling Lined: YES Pit ID: _____ Lat: 39.895950 Long: -103.623240

Lining:

Liner Type: Other Liner Condition: Adequate

Comment: 200 BBL open top fiberglass tank

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: Metal Grid Netting Condition: Good

Comment: also mesh covering

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

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

Corrective Action: _____ Date: _____

Attached Documents

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

Document Num	Description	URL
673710964	Diamond Operating Kejr 23-11	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3648061

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.)