

**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:  
08/25/2015

Document Number:  
674900757

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>214362</u>	<u>325230</u>	<u>Hughes, Jim</u>	<input type="checkbox"/>	

**Operator Information:**

OGCC Operator Number:	<u>10254</u>
Name of Operator:	<u>RED MESA HOLDINGS/O&amp;G LLC</u>
Address:	<u>5619 DTC PARKWAY - STE 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
Giuliano, Alfred	(856) 767-3000 ext. 11	atgiuliano@giulianomiller.com	Red Mesa trustee
Labowskie, Steve		steve.labowskie@state.co.us	
Edwards, Robert	(609) 841-4756	REdwards@giulianomiller.com	Giuliano Miller and Co, LLC
Fischer, Alex		alex.fischer@state.co.us	

**Compliance Summary:**

QtrQtr: SWSW Sec: 23 Twp: 33N Range: 12W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/12/2015	674602196	PR	SI	ACTION REQUIRED			No
04/15/2015	674601776	PR	SI	ACTION REQUIRED			No
03/30/2015	674601673	PR	SI	ACTION REQUIRED	I		No
03/30/2015	668402716	PR	PR	ACTION REQUIRED			No
03/13/2015	674900363	PR	EI	ACTION REQUIRED			No
09/16/2013	663401194	PR	PR	ACTION REQUIRED	I		No
08/17/2009	200216910	PR	PR	SATISFACTORY			No
01/04/2008	200124391	PR	PR	ACTION REQUIRED			Yes
12/04/2007	200123255	PR	PR	SATISFACTORY			Yes
09/05/2007	200121332	PR	PR	ACTION REQUIRED			Yes
09/05/2007	200121392	PR	PR	ACTION REQUIRED			Yes
05/22/2007	200112657	PR	PR	ACTION REQUIRED		Fail	Yes
11/22/2002	200032801	ES	PR	SATISFACTORY		Pass	No
11/20/2002	200032347	ES	PR	SATISFACTORY		Pass	No
09/24/2002	200030777	CO	PR	ACTION REQUIRED			Yes
07/26/2002	200030765	ES	PR	ACTION REQUIRED			Yes
07/26/2002	200030496	CO	PR	ACTION REQUIRED		Fail	Yes

Inspector Name: Hughes, Jim

07/26/2002	200030823	ES	PR	SATISFACTORY		Pass	No
07/10/2002	200030815	PR	PR	SATISFACTORY		Pass	No
05/16/2002	200028067	CO	PR	SATISFACTORY		Fail	Yes
01/11/2002	200030812	CO	PR	ACTION REQUIRED		Fail	Yes
08/12/1997	500147262	PR	PR			Pass	No
06/12/1996	500147261	PR	PR			Pass	No
08/10/1995	500147260	PR	PR				Yes

**Inspector Comment:**

On August 25, 2015 COGCC staff members Alex Fischer, Joe Maclaren, and Jim Hughes conducted a joint field inspection of the Red Mesa Holdings JCK #1. For the most recent field inspection report of this facility, please refer to document #674602196. Overall inspection status shall remain the same as that document until all corrective actions have been performed.

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
214362	WELL	PR	08/31/2007	OW	067-05765	J C K 1	EI	<input checked="" type="checkbox"/>

**Equipment:**

Location Inventory

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**

Emergency Contact Number (S/A/V): \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

**Spills:**

Type	Area	Volume	Corrective action	CA Date
------	------	--------	-------------------	---------

Multiple Spills and Releases?

**Venting:**

Yes/No	Comment

**Flaring:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 214362

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/A/V:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

**S/A/V:** \_\_\_\_\_ **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: 214362 Type: WELL API Number: 067-05765 Status: PR Insp. Status: EI

**Idle Well**

Purpose:  Shut In  Temporarily Abandoned Reminder: \_\_\_\_\_

S/A/V: \_\_\_\_\_ CA Date: \_\_\_\_\_

CA: \_\_\_\_\_

Comment: \_\_\_\_\_

**Environmental**

**Spills/Releases:**

Type of Spill: \_\_\_\_\_ Description: \_\_\_\_\_ Estimated Spill Volume: \_\_\_\_\_

Inspector Name: Hughes, Jim

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_

Reportable: \_\_\_\_\_ GPS: Lat \_\_\_\_\_ Long \_\_\_\_\_

Proximity to Surface Water: \_\_\_\_\_ Depth to Ground Water: \_\_\_\_\_

**Water Well:** \_\_\_\_\_ Lat \_\_\_\_\_ Long \_\_\_\_\_

DWR Receipt Num: \_\_\_\_\_ Owner Name: \_\_\_\_\_ GPS : \_\_\_\_\_

**Field Parameters:** \_\_\_\_\_

Sample Location: \_\_\_\_\_

**Waste Management:**

Type	Management	Condition	Comment	GPS (Lat)	(Long)
Oily Soil	Piles	Inadequate	Soil stock pile from excavation near tank battery was sampled on 8/25/15 by COGCC staff and contains contaminant concentration levels above Table 910-1 standards.	37.083530	-108.127660

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: \_\_\_\_\_

Inspector Name: Hughes, Jim

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

S/A/V: \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

CA: \_\_\_\_\_

**Pits:**  NO SURFACE INDICATION OF PIT

**COGCC Comments**

Comment	User	Date
<p>On August 25, 2015 COGCC staff members Alex Fischer, Joe Maclaren, and Jim Hughes conducted a joint field inspection of the Red Mesa Holdings JCK #1. For the most recent field inspection report of this facility, please refer to document #674602196. Overall inspection status shall remain the same as that document until all corrective actions have been performed.</p> <p>The approximately 10' by 12' open excavation contains free product and storm water. The excavation has been caving and is now undermining the lined secondary containment for the tank battery at this location.</p> <p>Four point composite soil grab sample taken by COGCC staff from soil stock pile next to open excavation. Stock pile is composed of silty clay soil with some visible staining and areas with hydrocarbon odors. Sample was analyzed for TPH, PAH, and BTEX. Analytical report indicated contaminant concentration levels in exceedance of Table 910-1. The full analytical report has been uploaded to the scout card and is available on the COGCC website.</p>	hughesj	09/04/2015

**Attached Documents**

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

Document Num	Description	URL
674900758	Open excavation filled with fluids.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3677314">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3677314</a>
674900759	Soil stock pile next to excavation.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3677315">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3677315</a>

## **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.)