

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:
09/21/2015

Document Number:
673711552

Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	442679	442678	Sherman, Susan	<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
Ward, Stewart	(480) 751-7833	sward@fifthcreekenergy.com	agent

Compliance Summary:

QtrQtr: NWSE Sec: 3 Twp: 13S Range: 58W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
09/08/2015	673711488	DG	DG	SATISFACTORY			No
08/30/2015	673711382	DG	DG	SATISFACTORY			No
08/24/2015	673711355	XX	DG	SATISFACTORY			No

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
442679	WELL	DG	08/23/2015		039-06680	Callaway 3-33	DG <input checked="" type="checkbox"/>

Equipment:

Location Inventory

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

Location

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

Comment: _____

Corrective Action: _____

Spills: _____

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

Venting:	
Yes/No	Comment

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

Predrill

Location ID: 442679

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

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	HouseyM	Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42.	07/17/2015
OGLA	HouseyM	The proposed location is in a sensitive area with potential shallow groundwater and within proximity to a surface water feature. Secondary containment areas for tanks shall be constructed of steel rings, designed and installed to prevent leakage and resist degradation from erosion or routine operation and shall be constructed with a synthetic or engineered liner that contains all primary containment vessels and flowlines and is mechanically connected to the steel ring to prevent leakage. In addition, tertiary containment will be installed along the down- and cross-gradient perimeters of the Location to minimize the potential for sediment and/or contaminant migration into the surface water features.	07/17/2015

S/A/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Interim Reclamation	4. Weed Control and Maintenance. Operator shall be responsible for noxious weed control on any disturbed area, from the construction phase to the closure of the well or facility.
Drilling/Completion Operations	While gas is not expected, solution gas may be present from oil production. It is intended that any solution gas will be handled through a gas burner and not flared.
Noise mitigation	5. Noise. Operator shall provide to the LGD 24 hr, 7 days a week contact information to respond to all noise complaints arising from Operator's oil and gas facilities.
Dust control	1. Dust Mitigation. Operator shall use only fresh water (as defined by the Commission) on roads or land surfaces for dust mitigation.
Storm Water/Erosion Control	1. Berms. Operator will inspect berms on a weekly basis for evidence of discharge and within 48 hrs of a precipitation event. Inspection and maintenance records will be provided to the county on request.
Traffic control	2. Water Supply and Quality. To reduce truck traffic, where feasible, temporary surface water lines are encouraged and will be utilized. If necessary, Operator will bury temporary water lines at existing driveway and gravel road crossings, or utilize existing culvert, if available.
Material Handling and Spill Prevention	3. Spill and Release Maintenance. Operator will submit copies of any Form 19 filed with COGCC to the County LGD.

Traffic control 6. Private Roads. The Operator agrees to construct (unless already constructed) and maintain an access road designed to accommodate emergency response vehicles such as, but not limited to, law enforcement, emergency command vehicles, ambulances, hazard materials response vehicles, water, tenders, and fire apparatus during construction and operation of new tank batteries (post MOU), new drilling activity and reworks or recompletions of existing wells. With respect to new roads to new tank batteries, the Operator agrees to construct access roads in accordance with the Elbert County Driveway Standards. Best efforts will be made to improve inadequate access to existing tank battery sites identified by the local fire district or County. Operator and County agree that spot inspections of access roads may be done by the County and/or appropriate emergency response agency, at such County or agency's sole risk and expense, to ensure compliance with this section.

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: 442679 Type: WELL API Number: 039-06680 Status: DG Insp. Status: DG

Well Drilling

Rig: Rig Name: Cade 23 Pusher/Rig Manager: Duaine Bell
 Permit Posted: SATISFACTORY Access Sign: SATISFACTORY

Well Control Equipment:

Pipe Ram: YES Blind Ram: YES Hydril Type: YES
 Pressure Test BOP: Pass Test Pressure PSI: 3000 Safety Plan: YES

Drill Fluids Management:

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

Comment:

Retested BOPs on 9/20/2015. Copy of charts sent to COGCC engineer. Surface pond dry. Intermediate casing cemented.

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:

Lat _____ Long _____
DWR Receipt Num: _____ Owner Name: _____ GPS : _____

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: _____
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? _____

Inspector Name: Sherman, Susan

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
				MHSP	Pass	

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

Comment: New chemical storage area has earthen berms on NE cor of location.

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
673711553	Mustang Creek Callaway 3 -33 lease sign@CR22	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3685444
673711554	Mustang Creek Callaway 3 -33 drill rig sign@CR22	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3685445