

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:
10/22/2015

Document Number:
667700716

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____
	301884	378716	LABOWSKIE, STEVE		

Operator Information:

OGCC Operator Number: <u>69805</u>
Name of Operator: <u>PETROX RESOURCES INC</u>
Address: <u>P O BOX 2600</u>
City: <u>MEEKER</u> State: <u>CO</u> Zip: <u>81641</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
Clark, Mike	(970)878-5594	mike.petroxcbm@gmail.com	Owner
Nystrom, Dusty	(505) 330-1328/ (719) 529-0682	nystrw@yahoo.com	Field Representative
Roy, Catherine		catherine.roy@state.co.us	
Kubeczko, Dave		dave.kubeczko@state.co.us	

Compliance Summary:

QtrQtr: <u>SWSW</u>	Sec: <u>21</u>	Twp: <u>33N</u>	Range: <u>5W</u>
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Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/04/2011	200318676	ES	SI	SATISFACTORY			No
07/26/2011	200317023	PR	SI	ACTION REQUIRED			Yes
07/26/2011	200316928	PR	SI	ACTION REQUIRED			Yes
07/05/2011	200315778	PR	SI	ACTION REQUIRED			Yes
12/09/2010	200287961	PR	SI	ACTION REQUIRED			Yes
11/18/2010	200286468	ES	SI	ACTION REQUIRED			No
10/14/2010	200279673	PR	TA	ACTION REQUIRED			Yes

Inspector Comment:

COGCC SW inspection supervisor attended pre-drill on-site with operator, western OGLA Dave Kubeczko and CPW representatives John Holst and Brian Maggee for proposed new well Lark 33-5 #21-4 on existing pad. No additional disturbance is planned. Location was not fully re-contoured after drilling of the Lark 33-5 21-2 in late 2009, interim reclamation of areas not in use was required to have been completed in 2010. See "interim reclamation" section for actions required to be completed by 12/1/15. Also see "housekeeping" section, dried weeds and vegetation were observed grown close in to fired separator. Good perimeter berm on north/northeast side of location although none exists on southeast fill portion of location.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
301884	WELL	PR	07/01/2013	GW	007-06275	LARK 33-5 21-2	PR <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

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: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WEEDS	SATISFACTORY	thistles in a few areas were sprayed prior to broadcasting seed.		
WEEDS	ACTION REQUIRED	dry weeds and vegetation grown up around fired equipment.	clear 25' around fired equipment of all tall dry veg and combustible material as soon as possible and no later than CA date.	11/02/2015

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

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD		covered by fiberglass shed.		

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Deadman # & Marked	4	SATISFACTORY			
Flow Line	1	SATISFACTORY			
Ancillary equipment	1	SATISFACTORY			
Bird Protectors	1	SATISFACTORY			
Gas Meter Run	1	SATISFACTORY			
Vertical Heated Separator	1	SATISFACTORY	see "housekeeping", dry dead vegetation around fired equipment.		

Venting:		
Yes/No	Comment	
NO		

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

Predrill

Location ID: 301884

Site Preparation:

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

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:

Erosion BMPs	Present	Other BMPs	Present
BERMS	Yes		

S/A/V: ACTION REQUIRED

Corrective Action: complete and maintain perimeter berming Date: 12/01/2015

Comments: Erosion BMPs: perimeter berm on north and east sides of location, southeast corner is not bermed, this should be completed prior to additional drilling or completion activities, this would also likely be required by COA.

Other BMPs: location is stabilized with gravel and weedy vegetation, some run on erosion channels in northwest corner by flare pit.

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: 301884 Type: WELL API Number: 007-06275 Status: PR Insp. Status: PR

Producing Well

Comment: PR

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: segregated soil pile on south end of disturbance, protected with vegetation. Thistles in a few areas on pad were sprayed this season and appear to be controlled, dead material still present.

1003a. Debris removed? Fail CM wood debris pile sw corner
CA remove, chip & spread or burn w/approval CA Date 12/01/2015
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? In Production areas stabilized ? Pass
1003c. Compacted areas have been cross ripped? _____
1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? In

Production areas have been stabilized? Pass Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured Fail 80% Revegetation In

1003 f. Weeds Noxious weeds? I

Comment: Flare pit northwest corner of disturbance has not been re-contoured. Rocky soil and slash pile in southeast corner pad construction also should have been recontoured with slash spread or burned, all contouring was due in 2010.

Overall Interim Reclamation Fail

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	Compaction				
Compaction	Pass					
Berms	Pass					
Other						vegetation

S/A/V: SATISFACTOR Corrective Date: _____

Y

Comment: de minimis run on in northwest corner by flare pit, cut and fill slopes appear to be stable with vegetation.

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>Contouring as required by Rule 1003 (interim reclamation, areas no longer in use) should be completed prior to commencing new operations, operator stated they wanted to start drilling on 12/1/15.</p> <p>Note: Re-establishing or constructing a new flare or special purpose pit would require submission of a Form 15.</p>	labowsks	10/26/2015

Attached Documents

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

Document Num	Description	URL
667700720	combustible dry vegetation near fired equipment	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3707820
667700721	flare pit, rocky disturbnace, not recontoured	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3707821
667700722	sw corner rocky soil wood debris	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3707822

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.)