

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



Inspection Date:
01/28/2016
Document Number:
685200009
Overall Inspection:
ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>214536</u>	<u>325308</u>	<u>LABOWSKIE, STEVE</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10254</u>
Name of Operator:	<u>RED MESA HOLDINGS/O&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
T., Alfred	(856) 767-3000 ext. 11	atgiuliano@giulianomiller.com	Red Mesa Trustee
Adamczyk, Megan		megan.adamczyk@state.co.us	
Edwards, Robert	609-841-4756	REdwards@giulianomiller.com	Giuliano Miller & Company, LLC
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
Ash, Margaret		margaret.ash@state.co.us	

Compliance Summary:

QtrQtr:	<u>NW</u>	Sec:	<u>1</u>	Twp:	<u>32N</u>	Range:	<u>13W</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)
03/31/2015	668402740	PR	TA	ACTION REQUIRED			No
03/24/2015	674601592	PR	SI	ACTION REQUIRED	I		No
09/05/2012	669400099	PR	PR	SATISFACTORY	I		No
09/08/2011	200321779	PR	PR	SATISFACTORY			No
10/26/2009	200221353	PR	PR	SATISFACTORY			No
05/24/2006	200090809	PR	PR	ACTION REQUIRED		Fail	Yes
05/16/2001	200018746	PR	PR	ACTION REQUIRED		Fail	Yes
01/09/1998	500147501	PR	PR			Pass	No

Inspector Comment:

This is a complaint response inspection, see "complaint" section under Facilities for details about complaint #200438864. Note: Operations that prompted this complaint are being done by an operator who is not operator of record. This complaint is also associated with Red Mesa Holdings Kroeger K-6 (067-06146) which is accessed from the section of road in question.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
214536	WELL	PR	08/01/2013	GW	067-06139	CUSHING C-1	TA <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

Lease Road:				
Type	Satisfactory/Action Required	comment	Corrective Action	Date
Main	ACTION REQUIRED	road recently plowed, muddy due to warm weather and snowmelt, deep tire ruts due to vehicle traffic	repair road, maintain in way that minimizes rutting and vehicle tracking	03/18/2016

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Emergency Contact Number (S/AR): ACTION Corrective Date: _____

Comment: bankrupt operator information

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Spills:				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	<= 1 bbl	remove oil and oily soils, close tank battery in approved manner.	03/18/2016

Multiple Spills and Releases?

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

Equipment:				
Type: Ancillary equipment	# 1	Satisfactory/Action Required: SATISFACTORY		
Comment	wellhead			
Corrective Action				Date:
Type: Gas Meter Run	# 1	Satisfactory/Action Required: SATISFACTORY		
Comment				

Corrective Action	Date:
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Venting:

Yes/No	NO
Comment	

Flaring:

Type		Satisfactory/Action Required
Comment:		
Corrective Action:		Correct Action Date:

Predrill

Location ID: 214536

Site Preparation:

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

S/AR: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

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: <u>214536</u>	Type: <u>WELL</u>	API Number: <u>067-06139</u>	Status: <u>PR</u>	Insp. Status: <u>TA</u>
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Complaint

Comment: Staff met with complainants at their property in response to complaint doc#200438864. 2 Tanks had recently been removed from the Cushing C-1 battery and earthen berms have been flattened out. 2 uncapped riser pipes remain. Oily soils were covered up with some fresh gravel, a few spots of crude oil were observed on round and mixing with snowmelt. The access road to the Cushing C-1 is heavily rutted, ruts are deeper than what commonly accepted by COGCC (~6"). It appears the vehicle traffic is going to the Red Mesa Holdings Kroeger K-6.

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: _____
 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: _____

Complaint:

Tracking Num	Category	Assigned To	Description	Incident Date
200438864	ROADS	Labowskie, Steve	After Mobil oil removed 2 oil battery storage tanks and in doing so damaged our driveway with a lot of water and mud, which we can not traverse. We need to use the driveway to access the county road. The mud is deep and slick and the vehicles get stuck driving through it, snow prevents us from going around. We require this access to leave the property and obtain fuel from the generator and propane. This request is very urgent because we are stuck on our property with an impending snow storm. The complainant has not contacted the oil company yet. They were not contacted by the oil company, only two workers on site.	01/28/2016

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. Waste and Debris removed? _____

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 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: reclamation area snow covered at time of inspection

Overall Interim Reclamation In Process

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
				SR	Fail	
				VT	Fail	

S/A/V: **ACTION REQUIRED** Corrective Date: **03/18/2016**

Comment: **mud beginning to be tracked off access road**

CA: **maintain access road to prevent tire rutting and vehicle tracking. Prevent crude oil from mixing with snowmel as soon as possible and no longer than corrective action date.**

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
685200025	tire rutted access road	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3783252
685200026	oil soils covered up with gravel in battery area	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3783253
685200027	tanks from Cushing battery now at Atom's Taylor 3	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3783254
685200028	free oil miing with snowmelt	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3783255