

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:
03/07/2016
Document Number:
671000290
Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>
	<u>210822</u>	<u>335258</u>	<u>LUJAN, CARLOS</u>	2A Doc Num: _____

Operator Information:

OGCC Operator Number: <u>10550</u>
Name of Operator: <u>MUSTANG RESOURCES LLC</u>
Address: <u>1660 LINCOLN STREET SUITE 1450</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80264</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
Fischer, Alex		alex.fischer@state.co.us	Environmental Supervisor, NW
Spencer, Stan		stan.spencer@state.co.us	EPS, NW Region
Couts, Brandon		bcoutts@mustangresourcesllc.com	Production Superintendent - Mustang
Lujan, Carlos		carlos.lujan@state.co.us	EPS, NW Region
Lemon, Debb		dlemon@mustangresourcesllc.com	Regulatory Analyst - Mustang

Compliance Summary:

QtrQtr: <u>NESE</u>	Sec: <u>27</u>	Twp: <u>6S</u>	Range: <u>94W</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)
06/25/2015	666801092	PR	PR	SATISFACTORY			No
04/17/2000	200006985	PR	PR	SATISFACTORY		Pass	No
03/17/1997	500142265	PR	SI			Pass	No

Inspector Comment:

On 03/07/2016, COGCC staff Stan Spencer and Carlos Lujan met with Mr. George Pearson in his property. Mr. Pearson had contacted COGCC to complain about a vent line that had been leaking for years. See complaint No. 200439126. We drove to the spill location and observed staining on and around a pipe stickup. No indication of overland spill was observed (only the staining around the pipe). The pipe is a "Future" grasshopper that was never completed. No venting or leaking was observed at the moment of the inspection. See attached pictures. The stickup is connected to a feeder pipeline owned and operated by Mustang Resources. The distance to Porcupine Creek is about 100 feet. COGCC staff and Mr. Pearson then drove to the Haynes-Harris 27-43 well pad (operated by Mustang). On 03/08/2016, COGCC staff Carlos Lujan met with Mustang Resources Production Superintendent, Brandon Coutts at the nearby Mustang well pad, Haynes-Harris 27-43, to discuss the path forward. Mustang agreed to submit a spill report, proposed to remove the faulty valve and excavate the stained soil. An environmental consultant will help with the confirmation sampling. Depending on the results, the form 19 will be closed or a Form 27 Site Assessment and Remediation Work Plan will be submitted.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
210822	WELL	PR	03/29/1990	GW	045-06580	HAYNES-HARRIS 27-43 -6S-94W	EI <input checked="" type="checkbox"/>
211114	WELL	PR	01/10/1995	GW	045-06873	DOTSON RMV 17-27	PR <input 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

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

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

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Spills:

Type	Area	Volume	Corrective action	CA Date

Multiple Spills and Releases?

Fencing/:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Equipment:

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

Venting:

Yes/No	NO
Comment	

Flaring:

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

Predrill

Location ID: 210822

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: 210822 Type: WELL API Number: 045-06580 Status: PR Insp. Status: EI

Environmental

Spills/Releases:

Type of Spill: CONDENSATE Description: Leak from stickup (Future) Estimated Spill Volume: _____

Comment: Historical spill from a nearby vent ("Future" grasshopper) connected to the feeder pipeline. Staining observed in the ground around the pipeline feeder vent (Future grasshopper). Distance to the creek is about 100 feet. Impacted soil is in sensitive area. Distance to closest water well(s): 600 feet approximately. Water well is located on the left bank of Porcupine Creek. The historical release is located on the right bank of the creek.

Corrective Action: Mustang will submit a spill report in the next few days and will repair or remove the Date: 04/08/2016

Reportable: YES GPS: Lat 39.496611 Long -107.867806

Proximity to Surface Water: 100 Depth to Ground Water: _____

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

Field Parameters: _____

Sample Location: _____

Complaint:				
Tracking Num	Category	Assigned To	Description	Incident Date
200439126	SPILLS	Lujan, Carlos	<p>Complainant states: 5641 County Road 320, Rifle, CO 81650 Vent on feeder pipe line is leaking and dripping hydrocarbons on to the ground and the hydrocarbons appear to be heading into Porcupine Creek and into the Colorado River. Vent has never been serviced or checked by the oil and gas company for more the 20 years. The line that the vent is on I believe is from Savage Well 26-32 and connects it to Moore well 27-42 and Pearson well 26-12.</p> <p>Had a very hard time finding the gas company even visited the COGC office in Rifle and they could not find the pipe line ownership. I was informed by Vaquero Energy 4700 Stockdale Highway Suite 120, Bakersfield, California 93309 that they were shutting down the gas wells in the in Dec. of 2015 since that time the vent (grasshopper) has stop dripping hydrocarbons, and releasing strong hydrocarbon odors to the air, so I am assuming that Vaquero Energy is the owner of the pipe line. I talk with the Garfield County Oil and Gas Liaison officer Kirby Winn about the situation but he was not able to help me since I did not know the owner of the pipe line.</p> <p>Soil has been contaminated around the vent and possible all the way down to the creek.</p>	03/04/2016

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: _____

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

Inspector Name: LUJAN, CARLOS

S/A/V: _____ Corrective Date: _____

Comment: _____

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
671000291	Mustang well nearby	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3802204
671000292	Future Grasshopper leaking & Porcupine Creek	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3802205
671000293	Future Grasshopper. Looking East	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3802206