

**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:

03/02/2016

Document Number:

674900970

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>214922</u>	<u>325511</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
Fischer, Alex		alex.fischer@state.co.us	
Giuliano, Alfred	(856) 767-3000 ext. 11	atgiuliano@giulianomiller.com	Trustee (All Inspections)
Edwards, Robert	609-841-4756	REdwards@giulianomiller.com	Giuliano Miller & Company, LLC

**Compliance Summary:**

QtrQtr: <u>NWNE</u>		Sec: <u>26</u>		Twp: <u>33N</u>		Range: <u>12W</u>	
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
03/30/2015	674601680	PR	SI	ACTION REQUIRED	I		No
03/30/2015	668402777	PR	PR	ACTION REQUIRED			No
03/13/2015	674900350	PR	EI	ACTION REQUIRED			No
09/16/2013	663401198	PR	PR	ACTION REQUIRED	I		No
09/05/2007	200121195	PR	PR	ACTION REQUIRED			Yes
11/20/2002	200031930	PR	PR	SATISFACTORY		Pass	No
11/20/2002	200031932	PR	PR	SATISFACTORY		Pass	No
09/24/2002	200030775	CO	PR	ACTION REQUIRED			Yes
07/26/2002	200030769	ES	PR	ACTION REQUIRED			Yes
07/26/2002	200030493	CO	PR	ACTION REQUIRED		Fail	Yes
07/26/2002	200030497	CO	PR	ACTION REQUIRED		Fail	Yes
07/10/2002	200030800	CO	PR	ACTION REQUIRED		Fail	Yes
05/16/2002	200030797	CO	PR	ACTION REQUIRED		Fail	Yes
01/11/2002	200030795	CO	PR	ACTION REQUIRED		Fail	Yes
08/18/1997	500148055	PR	PR			Pass	No
07/11/1996	500148054	PR	PR			Pass	Yes
08/10/1995	500148053	PR	PR				Yes

**Inspector Comment:**

Inspector Name: Hughes, Jim

On March 2, 2016 COGCC SW EPS Jim Hughes conducted a follow up environmental field inspection of the Red Mesa Holdings Herrera #3. For the most recent field inspection report for this facility, please refer to document #674601680. 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	
214922	WELL	PR	09/30/2010	GW	067-06526	HERRERA 3	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 Motors: _____	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
WELLHEAD	SATISFACTORY	Bankrupt operator information on sign mounted to pump jack guard fence.		

Emergency Contact Number (S/AR): ACTION

Corrective Date: 04/13/2015

Comment: Bankrupt operator contact information on location sign.

Corrective Action: Install sign to comply with Rule 210.d Corrective action date of 4/13/15 from field inspection document #674601680

**Good Housekeeping:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Spills:**

Type	Area	Volume	Corrective action	CA Date
Crude Oil	Truck Loadout	<= 1 bbl	Remove/remediate impacted material from below load out valve.	04/22/2016
Crude Oil	Gathering Line	<= 1 bbl	Action Required not completed; Cap crude oil gathering line. Remove/remediate impacted material. Corrective action date taken from inspection document #674601680.	04/13/2015
Crude Oil	Valve	<= 1 bbl	Remove/remediate impacted material near valve at domestic gas supply line.	04/22/2016

Multiple Spills and Releases?

<b>Fencing/:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	SATISFACTORY	Guard fencing around drop out tank for domestic gas supply line.		
TANK BATTERY	SATISFACTORY			
PUMP JACK	SATISFACTORY			

<b>Equipment:</b>				
Type: Pump Jack	# 1	Satisfactory/Action Required: SATISFACTORY		
Comment	At the time of this inspection, this equipment was missing a prime mover.			
Corrective Action				Date:

<b>Facilities:</b>				
<input type="checkbox"/> New Tank	Tank ID: _____			
Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2	300 BBLS	STEEL AST	37.080664,-108.119287
S/AR	SATISFACTORY	Comment: Thief hatch is open on eastern tank.		
Corrective Action:				Corrective Date:

<b>Paint</b>	
Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____
Other (Type)	_____

<b>Berms</b>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Sufficient	Base Sufficient	Inadequate
Corrective Action	Corrective action date taken from inspection document #674601680. Increase capacity of secondary containment berm per Rule 605.a.4. Remove fluids present within secondary containment berm.			Corrective Date 04/13/2015
Comment	Fluids within secondary containment berm are presently 6-8" from the top of the berm.			

<b>Venting:</b>	
Yes/No	
Comment	

<b>Flaring:</b>			
Type		Satisfactory/Action Required	
Comment:			
Corrective Action:			Correct Action Date:

**Predrill**

Location ID: 214922

**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: 214922 Type: WELL API Number: 067-06526 Status: PR Insp. Status: EI

**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: \_\_\_\_\_

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
Compaction	Fail	Compaction	Pass			
				MHSP	Fail	Insufficient secondary containment berm.

S/A/V: **ACTION REQUIRED** Corrective Date: **04/13/2015**

Comment: Southeast corner of location has storm water run off channels incising fill slope. Secondary containment berm around tank battery has storm water present, affecting capacity.

CA: Maintain/install BMPs to control stormwater erosion and sediment transport. Remove fluids from secondary containment berm.

**Pits:**  NO SURFACE INDICATION OF PIT

Pit Type: \_\_\_\_\_ Lined: NO Pit ID: \_\_\_\_\_ Lat: 37.080494 Long: -108.119254

**Lining:**

Liner Type: \_\_\_\_\_ Liner Condition: \_\_\_\_\_

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

**Fencing:**

Fencing Type: Livestock Fencing Condition: Adequate

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

**Netting:**

Netting Type: \_\_\_\_\_ Netting Condition: \_\_\_\_\_

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

Anchor Trench Present: \_\_\_\_\_ Oil Accumulation: \_\_\_\_\_ 2+ feet Freeboard: \_\_\_\_\_

Pit (S/A/V): **ACTION** Comment: Pit is no longer in use, except as a BMP for inadequate secondary containment around tank battery. Close pit per 900 series rules.

Corrective Action: Corrective action date of 4/13/15 taken from inspection document #674900350. Close pit per 900 series rules. Date: \_\_\_\_\_

**COGCC Comments**

Comment	User	Date
<p>On March 2, 2016 COGCC SW EPS Jim Hughes conducted a follow up environmental field inspection of the Red Mesa Holdings Herrera #3. For the most recent field inspection report for this facility, please refer to document #674601680. Overall inspection status shall remain the same as that document until all corrective actions have been performed.</p> <p>During this inspection it was noted that:  A pressure gauge on the drop out tank for the domestic gas supply read 28 psi. There is impacted material near the base of this piece of equipment.  The secondary containment berm for the tank battery is insufficient. Storm water is approximately 6-8" from the top of the berm in the southeast corner. Impacted material was observed near the end of a gathering line and below the load out valve.  The thief hatch on the eastern 300 bbl. tank is open.</p>	hughesj	03/22/2016

**Attached Documents**

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

Document Num	Description	URL
674900971	Impacted material near valve on drop out tank.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814244">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814244</a>
674900972	Insufficient capacity for secondary containment berm.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814245">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814245</a>
674900973	Impacted material below load out valve.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814246">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814246</a>
674900974	Impacted material at gathering line.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814247">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814247</a>
674900975	Unused pit with fluids. Poly lines lead from battery.	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814248">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814248</a>