

**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:
	214922	325511	Hughes, Jim	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10254Name of Operator: RED MESA HOLDINGS/O&G LLCAddress: 5619 DTC PARKWAY - STE 800City: GREENWOOD State: CO Zip: 80111

- ☒ 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: NWNE Sec: 26 Twp: 33N Range: 12W

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?

Fencing/:				
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			

<u>Equipment:</u>			
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:

Facilities:				
<input checked="" 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:

Paint	
Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____
Other (Type)	_____

Berms				
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.			

Venting:	
Yes/No	
Comment	

Flaring:			
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 _____

Inspector Name: Hughes, Jim

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 _____

Inspector Name: Hughes, Jim

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:</p> <p>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.</p> <p>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.</p> <p>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.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814244
674900972	Insufficient capacity for secondary containment berm.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814245
674900973	Impacted material below load out valve.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814246
674900974	Impacted material at gathering line.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814247
674900975	Unused pit with fluids. Poly lines lead from battery.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3814248