

FORM
INSPRev
X/15State of Colorado
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

01/06/2020

Submitted Date:

01/07/2020

Document Number:

696200899

FIELD INSPECTION FORM

 Loc ID: 398078
 Inspector Name: Trujillo, Aaron
 On-Site Inspection:
 2A Doc Num:
Status Summary:

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED

Operator Information:
 OGCC Operator Number: 22315
 Name of Operator: D & D RESOURCES INC
 Address: 2835 VILLA WAY #4
 City: GRAND JUNCTION State: CO Zip: 81501
Findings:

- 2 Number of Comments
- 1 Number of Corrective Actions
- Corrective Action Response Requested

**ANY CORRECTIVE ACTION(S) FROM
PREVIOUS INSPECTIONS THAT HAVE NOT
BEEN ADDRESSED ARE STILL APPLICABLE**

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 231082 | WELL | PA | 08/01/1990 | DA | 103-08751 | EMERALD 232 | RI |

General Comment:

On January 6th, 2020, Reclamation Specialist Trujillo conducted a Final reclamation and stormwater inspection at D&D Resources Inc's Emerald #232 Location in Rio Blanco County, Colorado.

The following alleged compliance issues were observed during this inspection:

Utility pole on the southwest corner of the location appears to have been cut and left on the location, anchor related to the pole also evident.

Previous inspections documented that Operator failed to conduct final reclamation of the location; location was covered in snow at time of the inspection, and prevented the Reclamation Specialist from conducting an accurate assessment of the reclamation. A follow-up inspection will be needed in a future growing season to determine compliance.

Refer to the "Reclamation" section of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

A follow up on this site inspection will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

Unable to find Operator email contact for FIR submission; inspection will be mailed 1/9/2020 via USPS to physical address on file:

D&D Resources Inc
2835 Villa Way #4
Grand Junction, CO 81501

Additionally, COGCC records show D&D Resources Inc as a rider for a bond under Diamond Back Drilling & Supply Inc; inspection is also being submitted to Diamond Back.

It is noted that several other D&D locations within this field are also out of compliance: Due to the significant nature, extent, or duration of alleged rule violations, immediate referral to enforcement is required. Perform corrective actions immediately to avoid further enforcement and potential penalties.

No CA dates are being provided as Operator is directed to perform corrective actions outlined on this inspection report immediately. Doing so may decrease the duration of the alleged violations and the penalties that may be assessed pursuant to Rule 523.

Inspected Facilities

Facility ID: 231082 Type: WELL API Number: 103-08751 Status: PA Insp. Status: RI

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

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 _____

1003e. INTERIM VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____
 TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment

Corrective Action

Date _____

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 **Fail** _____ 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 _____

1004.d. FINAL VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____
 TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

Comment:

It was observed in this inspection that the utility pole and associated anchor have been left on the southwest end of the Location. Equipment/Debris requires removal.

Well marker center of Location.

Location was covered in snow at time of the inspection, and prevented the Reclamation Specialist from conducting an accurate assessment of the reclamation. However, cut slope and fill areas of pad appears to be evident; Location does not appear to have been recontoured. A follow-up inspection will be needed in a future growing season to determine compliance.

Corrective Action:

Remove utility pole/anchor and any remaining O&G associated debris/equipment remaining on Location and comply with COGCC 1004 Rules.

Date _____

Overall Final Reclamation

Fail

Well Release on Active Location

Multi-Well Location

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 696200900 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5030945 |