

**FORM
INSP**

Rev
X/20

**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:

03/07/2023

Submitted Date:

03/08/2023

Document Number:

702801331

FIELD INSPECTION FORM

Loc ID 311543 Inspector Name: O'Malley, Anna 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: 10550
Name of Operator: MUSTANG RESOURCES LLC
Address: 1660 LINCOLN STREET SUITE 1450
City: DENVER State: CO Zip: 80264

Findings:

- 6 Number of Comments
- 3 Number of Corrective Actions
- Corrective Action Response Requested

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

Contact Information:

Contact Name	Phone	Email	Comment
Arauzo, Steven		steven.arauza@state.co.us	
Lemon, Deb	(720) 550-7507 x105	dlemon@mustangresourcesllc.com	All Inspections
Darlene		dtadlock@mustangresourcesllc.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
210685	WELL	PR	07/01/2021	GW	045-06441	CLOUGH FEDERAL 14-24A-6S-94W	RI
311543	LOCATION	AC			-	CLOUGH FEDERAL-66S94W 14SESW	RI

General Comment:

On 03/08/2023, Reclamation Specialist O'Malley conducted an interim reclamation and stormwater inspection at Mustang Resources LLC's CLOUGH FEDERAL-66S94W/14SESW Location #311543 in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

- Potential gas leak
- Anchor markers faded
- Stormwater: potential stormwater contamination due to leak

Refer to the "Inspected Facilities," "Reclamation," and "Stormwater" sections 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 inspection on this site will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

Inspected Facilities

Facility ID: 210685 Type: WELL API Number: 045-06441 Status: PR Insp. Status: RI

Facility ID: 311543 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Producing Well

Comment: It was observed that the well facility was inundated with stormwater and gas was bubbling up in the water around well API# 045-06441 indicative of a potential leak. I immediately called the emergency contact number listed on location and spoke with the call center on 3/7/2023 at 12:51 pm. The call center indicated that they would notify me upon making contact with the Operator. No call has been received from the Operator or call center regarding the issue.

On 3/8/2023 an email was sent to Ms. Deb Lemon, of Mustang Resrouces, LLC in a second attempt to notify the Operator of the issue. See attached correspondence.

Refer to the "Stormwater" section of this inspection report for corrective action regarding potential stormwater contamination due to this leak.

Corrective Action: Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e.

24 hours to fix the leak or isolate leak.

Date: 03/08/2023

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? Pass

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? Pass

Comment _____

Corrective Action _____

Date _____

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

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? Fail

Comment Anchors observed to be marked, although bright coloring has faded.

Corrective Action Install proper guy line markers per Rule 1003.a

Date 03/22/2023

1003b. Area no longer in use? Pass 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? In
 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 Pass 80% Revegetation In

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? P

Comment Areas of the location not needed for production, or no longer in use have been reduced and reclaimed. No noxious weed concerns observed at the time of this inspection. Introduced and native perennial grasses (crested wheatgrass, Sporobolus sp.) and native shrubs (rubber rabbitbrush, sagebrush, greasewood) appear established. However, dormant season prevented a full vegetation assessment. A follow up inspection will be conducted during a future growing season to determine compliance with 1003 requirements.

Corrective Action Date _____

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 _____

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

Comment:

Corrective Action: _____	Date _____
Overall Final Reclamation _____	Well Release on Active Location <input type="checkbox"/>
	Multi-Well Location <input type="checkbox"/>

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: The well area was observed to be inundated with stormwater. Due to the risk of stormwater contamination due to the potential leak (refer to the "producing well" section of this report) water must be removed from cellars.

Corrective Action: Remove all free standing fluids from well area and dispose of at an approved facility per Rule 1002.f.

Date: 03/09/2023

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
702801332	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6044155
702801333	Email Correspondence	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6044156