

Inspector Name: LEONARD, MIKE

**FORM
INSP**Rev
05/11**State of Colorado****Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



| | | | |
|----|----|----|----|
| DE | ET | OE | ES |
|----|----|----|----|

Inspection Date:

11/01/2011

Document Number:

664000086

Overall Inspection:

Satisfactory**FIELD INSPECTION FORM**

| | | | | |
|---------------------------------|------------|-------------|-------------------------------|---------------|
| Location Identifier | API Number | Facility ID | Loc ID | Tracking Type |
| | 061-06865 | 426030 | 426029 | |
| Facility Name: TRADE WINDS 2-21 | | | Inspector Name: LEONARD, MIKE | |

Operator Information:

| | | | |
|-----------------------|-----------------------|-------------------|------------------------|
| OGCC Operator Number: | 10234 | Name of Operator: | BAYHORSE PETROLEUM LLC |
| Address: | 2558 E PORTSMOUTH AVE | | |
| City: | SALT LAKE CITY | State: | UT |
| Zip: | 84121 | | |

Contact Information:

| | | | |
|--------------|---------------------------------|----------------------|---------|
| Contact Name | Phone | Email | Comment |
| Vaughn, Rod | (435) 237-1169/(435) 237-1169 | rlvaughn47@gmail.com | CEO |

Compliance Summary:

| | | | | | | | |
|---------|------|------|----|------|-----|--------|-----|
| QtrQtr: | SWSE | Sec: | 21 | Twp: | 18S | Range: | 47W |
|---------|------|------|----|------|-----|--------|-----|

Inspector Comment:**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num |
|-------------|------|--------|-------------|------------|-----------|
| 426030 | WELL | XX | 10/17/2011 | | 061-06865 |

Equipment:Location Inventory

| | | | | | |
|------------------------|------------------|---|---------------|---|-------------------|
| Special Purpose Pits: | Drilling Pits: | 3 | Wells: | 1 | Production Pits: |
| Condensate Tanks: | Water Tanks: | 1 | Separators: | 1 | 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: | 2 | Dehydrator Units: |
| Multi-Well Pits: | Pigging Station: | | Flare: | | Fuel Tanks: |

Location

| | |
|-----------------------------------|------------------|
| Emergency Contact Number: (S/U/V) | Corrective Date: |
| Comment: | |
| Corrective Action: | |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|------|------|--------|-------------------|---------|
|------|------|--------|-------------------|---------|

☐ Multiple Spills and Releases?

| | | |
|-----------------|---------|--|
| Venting: | | |
| Yes/No | Comment | |
| | | |

| | | | | |
|-----------------|-----------------------------|---------|-------------------|---------|
| Flaring: | | | | |
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| | | | | |

Predrill

Location ID: 426029

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

| Group | User | Comment | Date |
|--------|----------|---|------------|
| Permit | yokleyb | Final review completed, under limited comment period. BY | 10/13/2011 |
| OGLA | koepsear | Ready to pass 10/26/2011. | 10/05/2011 |
| OGLA | koepsear | Passed early due to exigent circumstances. The comment period was open for 7 days prior to receiving the request for exigent circumstances. | 10/12/2011 |
| OGLA | koepsear | <p>In accordance with Rule 607.c., operator shall provide notice of any gas analysis indicating the presence of hydrogen sulfide on the proposed location including pipelines, production equipment and tanks. Submit notices to COGCC's area engineer, Dirk Sutphin, at dirk.sutphin@state.co.us and local government designee, Debra Lening at kiowaclerk@hotmail.com as follows:</p> <p>1) Reporting of the presence of H2S in concentrations less than 10 parts per million (PPM) shall be done via verbal and email notices. Verbal notice with a follow up email shall be provided as soon as practicable upon detection of H2S to COGCC's area engineer and the local government designee.</p> <p>2) All verbal and email notices shall include all of the following information:</p> <p>a) Well or Facility name,</p> <p>b) API Number or COGCC Facility Number,</p> <p>c) H2S concentration in PPM,</p> <p>d) Date sample or measurement was collected,</p> <p>e) Type of measurement or analysis (e.g., gas analysis, meter measurement, or colorimetric tube), and</p> <p>f) Description of sample point.</p> <p>3) Sundry Notices are required for H2S concentrations equal to or exceeding 10 PPM. Only one H2S Sundry Notice Form 4 is required per well or location following the initial H2S detection, which exceeds 10 parts per million (PPM). Subsequent H2S reporting shall be done on an annual basis and be submitted not later than January 31 for all measurements or sampling events during the prior calendar year.</p> <p>4) Subsequent annual reports shall be provided in a spreadsheet and submitted to the COGCC's area engineer and/or COGCC's engineering supervisor via email.</p> | 10/12/2011 |

| | | | |
|--------|-----------|--|------------|
| | | <p>5) Sundry Notices and annual report spreadsheets shall provide all of the following information:</p> <p>a) Well or Facility name</p> <p>b) API Number or COGCC Facility Number</p> <p>c) H₂S concentration in PPM</p> <p>d) Date sample or measurement was collected</p> <p>e) Type of measurement or analysis (e.g., gas analysis, meter measurement, or colorimetric tube)</p> <p>f) Description of sample point</p> <p>g) Absolute Open Flow Potential in cubic feet per day (CFPD) at the H₂S source(s).</p> <p>h) If flow is not open to the atmosphere, then state that the source is not flowing and include a description of the potential for atmospheric release and duration in which the container or pipeline would likely be opened for servicing operations.</p> <p>i) Distance to the nearest occupied residence, school, church, park, school bus stop, place of business, or other areas where the public could reasonably be expected to frequent.</p> <p>j) Distance to the nearest Federal, State, County, or municipal road or highway owned and principally maintained for public use.</p> <p>If the operator can reasonably expect hydrogen sulfide at or above 100 parts per million (ppm) to be present on the location the operator shall follow all reporting requirements above and file a hydrogen sulfide drilling operations plan (United States Department of the Interior, Bureau of Land Management, Onshore Order No. 6, November 23, 1990) with the COGCC prior to spudding the well as described in COGCC rule 607.a.</p> | |
| Permit | freeseest | <p>Closed loop System? No</p> <p>On or offsite mud disposal? Onsite</p> <p>Committed to an Oil and Gas lease? They are committed to an O&G</p> <p>Distance to above ground utility? 990 (abandoned telephone line per operator)</p> <p>Corrected above answers via verbal with operator.</p> | 10/05/2011 |
| Permit | yokleyb | LGD Waiver attached, surface owners waivers attached. BY | 10/12/2011 |

Wildlife BMPs:**Stormwater:****Comment:** _____**Staking:****On Site Inspection (305):****Surface Owner Contact Information:**

Name: _____ Address: _____

Inspector Name: LEONARD, MIKE

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:

Well

Facility ID: 426030 API Number: 061-06865 Status: XX Insp. Status: DG

Well Drilling

Rig: Rig Name: BLACK GOLD Pusher/Rig Manager: BOB KLIESEN

Permit Posted: Satisfactory Access Sign: Satisfactory

Well Control Equipment:

Pipe Ram: _____ Blind Ram: _____ Hydril Type: YES

Pressure Test BOP: _____ Test Pressure PSI: 500 Safety Plan: YES

Drill Fluids Management:

Lined Pit: _____ Unlined Pit: YES Closed Loop: NO Semi-Closed Loop: _____

Multi-Well: _____ Disposal Location: _____

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:

DWR Receipt Num: _____ Owner Name: _____ GPS File: _____

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: RANGELAND

Comment: _____

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ 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 removed? _____ 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 REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Inspector Name: LEONARD, MIKE

| | | | |
|---|--------------------------------|---|------------------------|
| 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: | <input type="text"/> | | |
| Corrective Action: | <input type="text"/> | Date | |

Storm Water:

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

Pits:

Pit Type: Reserve Lined: NO

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: _____ 2+ feet Freeboard: _____

Pit (S/U/V): _____ Comment:

Corrective Action: Date: _____