

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
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Inspection Date: 02/06/2012

Document Number: 662300170

Overall Inspection: **Unsatisfactory**

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: <u>NEIDEL, KRIS</u>
	<u>423729</u>	<u>423727</u>		

Operator Information:

OGCC Operator Number: 10354 Name of Operator: DAKOTA EXPLORATION LLC

Address: 8801 S. YALE AVENUE, SUITE 120

City: TULSA State: OK Zip: 74137

Contact Information:

Contact Name	Phone	Email	Comment
Reynolds, Gail	(918) 806-8687	GailReynolds@dakotaexploration.com	

Compliance Summary:

QtrQtr: NWNW Sec: 24 Twp: 6N Range: 81W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/25/2011	200325505	DG	DG	S			N

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name
423727	LOCATION	AC	06/23/2011		-	State 6-81-24-4
423729	WELL	XX	06/23/2011		057-06510	State 6-81-24-4

Equipment: Location Inventory

Special Purpose Pits: _____	Drilling Pits: <u>1</u>	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>1</u>	Separators: <u>1</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: <u>4</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Signs/Marker:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Violation	no sign at wellhead.	Install sign to comply with rule 210.b.	03/15/2012
OTHER	Violation	no sign at location.	Install sign to comply with rule 210.b.	03/15/2012
TANK LABELS/PLACARDS	Violation	no labels on tanks	Install sign to comply with rule 210.b.	03/15/2012

Inspector Name: NEIDEL, KRIS

Emergency Contact Number: (S/U/V) _____ Violation _____ Corrective Date: 03/15/2012

Comment: install sign with emergency contact number.

Corrective Action: Install sign to comply with rule 210.b.

Good Housekeeping:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TRASH	Unsatisfactory	lots of small peices of trash on ground.	clean up location. well is being tested/completed but if trash is on the ground it will blow around.	02/27/2012
OTHER	Unsatisfactory	cellar at wellhead filled with; oil, ice water.	remove oil from cellar.	03/15/2012

Spills:

Type	Area	Volume	Corrective action	CA Date
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Multiple Spills and Releases?

Equipment:

Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Pump Jack	1	Satisfactory			
Vertical Heated Separator	1	Satisfactory	external, portable line heater looked up to separator.		

Tanks/Berms:

New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	3	300 BBLS	STEEL AST	,

S/U/V: Unsatisfactory Comment: keep guage hatchs closed.

Corrective Action: guage hatch open on 1 tank.

Corrective Date: 03/15/2012

Paint

Condition Adequate

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Sufficent	Base Sufficent	Inadequate

Corrective Action: increace capacity of bermed area.

Corrective Date: 03/15/2012

Comment: berms in adequate.

Venting:

Yes/No Comment

Flaring:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 423727

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkod	<p>GENERAL SITES COAs:</p> <p>Reserve pit must be lined or a closed loop system must be implemented during drilling.</p> <p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>Flowback and stimulation fluids must be sent to tanks before the fluids can be placed into any pipeline or pit located on the well pad. The flowback and stimulation fluid tanks must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material (per Rule 604.a.(4)).</p> <p>Berms or other containment devices shall be constructed in compliance with Rule 604.a.(4) around crude oil, condensate, and produced water storage tanks.</p> <p>The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.</p> <p>No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.</p>	05/10/2011

Wildlife BMPs:

Stormwater:

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:

Well

Facility ID: 423729 API Number: 057-06510 Status: XX Insp. Status: XX

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 : _____ Lat _____ Long _____

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 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: RANGELAND _____

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

Storm Water:

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

S/U/V: **Violation** Corrective Date: **03/22/2012**

Comment: stormwater maintenance BMP's not in place. nothing to prevent movement of sediment off of pad, onto pad or into pit. no protection of topsoil.

CA: see rule 1002.f

Pits:

Pit Type: Reserve Lined: YES Pit ID: _____ Lat: _____ Long: _____

Lining:

Liner Type: Plastic Liner Condition: Adequate

Comment: _____

Fencing:

Fencing Type: Safety Fencing Condition: Adequate

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: no netting on pit

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

Pit (S/U/V): **Violation** Comment: appears to be hydrocarbon in unneted pit.

Corrective Action: remove any hydrocarbon from pit.

Date: **02/24/2012**