

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: 04/04/2012

Document Number: 663400129

Overall Inspection: Unsatisfactory

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: <u>EDELEN, RANDY</u>
	<u>258592</u>	<u>331108</u>		

Operator Information:

OGCC Operator Number: 24461 Name of Operator: DIVERSIFIED OPERATING CORPORATION

Address: 15000 W 6TH AVE STE 102

City: GOLDEN State: CO Zip: 80401

Contact Information:

Contact Name	Phone	Email	Comment
Warburton, Bill	303 384-9611	wlw@doccolo.com	

Compliance Summary:

QtrQtr: NENE Sec: 6 Twp: 7N Range: 60W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/04/2007	200119989	PR	PR	U			Y
03/15/2006	200087000	ES	PR	U		F	Y
04/13/2004	200052905	ES	PR	U		F	Y
04/01/2004	200052394	ES	PR	U		F	Y
04/15/2003	200037594	PR	PR	S		P	N
06/20/2002	200027703	PR	PR	U		F	N

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
258592	WELL	PR	11/28/2001	LO	123-20169	HILL 6-1	X
261554	LEASE	SI	09/27/2001		-	HILL 6-1	
273444	PIT	AC	08/23/2004		-	HILL 6-1	
331108	LOCATION	AC	04/14/2009		-	HILL-67N60W 6NENE	

Equipment: Location Inventory

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

Location

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
BATTERY	Unsatisfactory	Battery and well on same location	Install sign to comply with rule 210.b.	05/31/2012

Emergency Contact Number: (S/U/V) Unsatisfactory Corrective Date: 05/31/2012

Comment: _____

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

Spills:				
Type	Area	Volume	Corrective action	CA Date
Lube Oil	WELLHEAD	<= 5 bbls	Pump jack is leaking gear oil, repair and remediate spill	05/31/2012
Condensate	WELLHEAD	<= 5 bbls	Repair wellhead components and remediate spill	05/31/2012
Lube Oil	WELLHEAD	<= 5 bbls	Prime mover is leaking in shed, remove stained soil	05/31/2012
Other	WELLHEAD	<= 5 bbls	Prime mover exhaust has created a stain area, remediate and address issue	05/31/2012
Condensate	Separator	<= 5 bbls	Cleanup spill inside seperator shed	05/31/2012
Condensate	Tank	<= 5 bbls	Cleanup spill inside berm	05/31/2012

Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TANK BATTERY	Satisfactory			

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Pump Jack	1	Unsatisfactory	In a state of disrepair and leaking lube oil	Repair unit and install guards	05/31/2012
Horizontal Heater Treater	1	Unsatisfactory	Leaking	Repair and remediate stainLabels tanks to meet Rule 210.d	05/31/2012
Prime Mover	1	Unsatisfactory	In a state of disrepair and leaking lube oil	Repair unit	05/31/2012
Deadman # & Marked	4	Unsatisfactory	Deadmen are not marked	Properly mark all deadmen	05/31/2012
FWKO	1	Unsatisfactory	Not labeled	Labels tanks to meet Rule 210.d	05/31/2012
Gas Meter Run	1	Unsatisfactory	Hose taking gas to seperator has leak repaired with electrical tape	Replace hose	05/31/2012

Tanks/Berms: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	FIBERGLASS AST	40.609570,-104.127950

S/U/V:	Unsatisfactory	Comment:	Tank not labeled
Corrective Action:	Labels tanks to meet Rule 210.d		Corrective Date: 05/31/2012

Paint

Condition	Adequate
-----------	----------

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action	Install a containment system to meet requirements of 604.a.(4)	Corrective Date	05/31/2012
Comment	No berm		

Tanks/Berms: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	200 BBLS	PBV FIBERGLASS	40.609310,-104.127970

S/U/V:	Unsatisfactory	Comment:	Tank not labeled
Corrective Action:	Labels tanks to meet Rule 210.d		Corrective Date: 05/31/2012

Paint

Condition	Adequate
-----------	----------

Other (Content) Not labeled, unsure of contents _____

Other (Capacity) Not labeled, unsure of capacity _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action		Corrective Date	
Comment			

Tanks/Berms:		<input type="checkbox"/> New Tank	Tank ID: _____		
Contents	#	Capacity	Type	SE GPS	
CONDENSATE	1	400 BBLS	STEEL AST	40.609810,-104.127980	
S/U/V:	Unsatisfactory	Comment:	Tank is not labeled		
Corrective Action:	Labels tanks to meet Rule 210.d			Corrective Date:	05/31/2012
Paint					
Condition	Adequate				
Other (Content)	Unlabeled unsure of contents				
Other (Capacity)	_____				
Other (Type)	_____				
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Inadequate	Walls Sufficient	Base Sufficient	Inadequate	
Corrective Action	Repair berm			Corrective Date	05/31/2012
Comment	Berm is in a poor state of repair				
Venting:					
Yes/No	Comment				
YES					
Flaring:					
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date	

Predrill

Location ID: 331108

Site Preparation:

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

Form 2A COAs:

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: 258592 API Number: 123-20169 Status: PR Insp. Status: PR

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: _____

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: _____

Reminder: _____

Comment: _____

Inspector Name: EDELEN, RANDY

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

S/U/V: Satisfactory Corrective Date: _____
 Comment: _____
 CA: _____

Pits:

Pit Type: Produced Water Lined: YES Pit ID: _____ Lat: _____ Long: _____

Lining:
 Liner Type: HDPE Liner Condition: Inadequate
 Comment: Liner is torn

Fencing:
 Fencing Type: Livestock Fencing Condition: Adequate
 Comment: _____

Netting:
 Netting Type: _____ Netting Condition: _____
 Comment: No netting

Anchor Trench Present: NO Oil Accumulation: YES 2+ feet Freeboard: _____
 Pit (S/U/V): Unsatisfactory Comment: Weed growth inside pit, estimate crude to be deeper than 1 foot
 Corrective Action: Remove and prevent further occurrence of crude in pit
Repair liner and bring pit into compliance with regulations Date: **05/31/2012**

Monitoring:	Monitoring Type	Comment
	<u>None</u>	<u>No pit level indicator</u>