

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

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



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

Inspection Date:

05/17/2013

Document Number:

669300576

Overall Inspection:

**Violation****FIELD INSPECTION FORM**

|                     |             |        |                 |                          |             |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection       | 2A Doc Num: |
|                     | 420405      | 420406 | NEIDEL, KRIS    | <input type="checkbox"/> |             |

**Operator Information:**OGCC Operator Number: 10354 Name of Operator: DAKOTA EXPLORATION LLCAddress: 8801 S. YALE AVENUE, SUITE 120City: TULSA State: OK Zip: 74137**Contact Information:**

| Contact Name   | Phone          | Email                              | Comment |
|----------------|----------------|------------------------------------|---------|
| Reynolds, Gail | (918) 806-8687 | GailReynolds@dakotaexploration.com |         |
| FISCHER, ALEX  |                | alex.fischer@state.co.us           |         |

**Compliance Summary:**QtrQtr: NENW Sec: 36 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) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 04/27/2012 | 667100013 |            |             | V                            |          |                | Y               |
| 11/15/2011 | 662300031 |            |             | U                            |          |                | N               |
| 05/05/2011 | 200311110 | PR         | WO          | S                            |          |                | N               |
| 01/24/2011 | 200295598 | DG         | DG          | S                            |          |                | N               |

**Inspector Comment:**

Inspector had waited to inspect well until it was observed that it was pumping. trash; old pit liner pieces where old drilling pit was. It appears that old pit liner was shredded and disposed on location, this is not an approved method for disposal. Additional trash on location; piping, fence parts, old buckets, a mud flap, a AAA battery, pop bottles, oily gloves, etc. It appears

**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name           |                                     |
|-------------|------|--------|-------------|------------|-----------|-------------------------|-------------------------------------|
| 420405      | WELL | XX     | 10/22/2010  | OW         | 057-06507 | Arapaho State 6-81-36-3 | <input checked="" type="checkbox"/> |

**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 Motors: _____ | Cavity Pumps: _____     | LACT Unit: _____     | Pump Jacks: <u>1</u>    |
| 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**

| <b>Signs/Marker:</b> |                             |                 |   |            |
|----------------------|-----------------------------|-----------------|---|------------|
| Type                 | Satisfactory/Unsatisfactory | Comment         | Corrective Action                         | CA Date    |
| TANK LABELS/PLACARDS | Unsatisfactory              | not acceptable. | Install labels to comply with rule 210.d. | 06/18/2013 |

Emergency Contact Number: (S/U/V) Satisfactory \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Comment: tankbattery sign

Corrective Action: \_\_\_\_\_

| <b>Good Housekeeping:</b> |                             |   |  |            |
|---------------------------|-----------------------------|---|--|------------|
| Type                      | Satisfactory/Unsatisfactory | Comment   | Corrective Action  | CA Date    |
| STORAGE OF SUPL           | Unsatisfactory              | piping , fittings, tools, etc   | All locations, including wells and surface production facilities, shall be kept free of weeds; rubbish, and other waste material. Per rule 603.j | 06/18/2013 |
| TRASH                     | Unsatisfactory              | Trash including; fence parts, old buckets, a mud flap, a AAA battery, pop bottles, oily gloves, were observed on pad. | All locations, including wells and surface production facilities, shall be kept free of weeds; rubbish, and other waste material. Per rule 603.j | 06/18/2013 |

| <b>Spills:</b> |           |           |   |            |
|----------------|-----------|-----------|---|------------|
| Type           | Area      | Volume    | Corrective action   | CA Date    |
| Crude Oil      | Treater   | <= 5 bbls | oily in cabnet, Evaluate practices to prevent further leaking, remediate oily soil.   | 07/02/2013 |
| Crude Oil      | Pump Jack | <= 5 bbls | Oily at scrubber pot on pumpjack; oil leaking out of scrubber pot. Evaluate practices to prevent further leaking, remediate oily soil.  | 07/02/2013 |
| Crude Oil      | WELLHEAD  | <= 5 bbls | Oily at wellhead, fresh soil has been placed on oil soil. This is not a method of contaminated soil remediation, in fact burring contaminated soil hinders bio-remediation, Evaluate practices to prevent further leaking, remediate oily soil. | 07/02/2013 |

☐ Multiple Spills and Releases?

| <b>Fencing/:</b> |                             |         |                   |         |
|------------------|-----------------------------|---------|-------------------|---------|
| Type             | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| LOCATION         | Satisfactory                |         |                   |         |

| <b>Equipment:</b>         |   |                             |         |                   |         |
|---------------------------|---|-----------------------------|---------|-------------------|---------|
| Type                      | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| Pump Jack                 | 1 | Satisfactory                |         |                   |         |
| Horizontal Heater Treater | 1 | Satisfactory                | bermed  |                   |         |
| Deadman # & Marked        | 4 | Satisfactory                |         |                   |         |

|                          |   |                                   |                     |                  |  |
|--------------------------|---|-----------------------------------|---------------------|------------------|--|
| <b>Facilities:</b>       |   | <input type="checkbox"/> New Tank |                     | Tank ID: _____   |  |
| Contents                 | #   | Capacity                          | Type                | SE GPS           |  |
| PRODUCED WATER           | 1   | 300 BBLS                          | STEEL AST           |                  |  |
| S/U/V:                   | Satisfactory  |                                   | Comment:            |                  |  |
| Corrective Action:       |   |                                   |                     | Corrective Date: |  |
| <u>Paint</u>             |   |                                   |                     |                  |  |
| Condition                | Adequate  |                                   |                     |                  |  |
| Other (Content) _____    |   |                                   |                     |                  |  |
| Other (Capacity) _____   |   |                                   |                     |                  |  |
| Other (Type) _____       |   |                                   |                     |                  |  |
| <u>Berms</u>             |   |                                   |                     |                  |  |
| Type                     | Capacity  | Permeability (Wall)               | Permeability (Base) | Maintenance      |  |
| Earth                    | Adequate  | Walls Sufficient                  | Base Sufficient     | Adequate         |  |
| Corrective Action        |   |                                   |                     | Corrective Date  |  |
| Comment                  |   |                                   |                     |                  |  |
| <b>Facilities:</b>       |   | <input type="checkbox"/> New Tank |                     | Tank ID: _____   |  |
| Contents                 | #   | Capacity                          | Type                | SE GPS           |  |
| CRUDE OIL                | 2   | 300 BBLS                          | STEEL AST           |                  |  |
| S/U/V:                   | Satisfactory  |                                   | Comment:            |                  |  |
| Corrective Action:       |   |                                   |                     | Corrective Date: |  |
| <u>Paint</u>             |   |                                   |                     |                  |  |
| Condition                | Adequate  |                                   |                     |                  |  |
| Other (Content) _____    |   |                                   |                     |                  |  |
| Other (Capacity) _____   |   |                                   |                     |                  |  |
| Other (Type) _____       |   |                                   |                     |                  |  |
| <u>Berms</u>             |   |                                   |                     |                  |  |
| Type                     | Capacity  | Permeability (Wall)               | Permeability (Base) | Maintenance      |  |
| Earth                    | Adequate  | Walls Sufficient                  | Base Sufficient     | Adequate         |  |
| Corrective Action        |   |                                   |                     | Corrective Date  |  |
| Comment                  |   |                                   |                     |                  |  |
| <b>Venting:</b>          |   |                                   |                     |                  |  |
| Yes/No                   | Comment   |                                   |                     |                  |  |
| YES                      | it appears that excess gas is being vented from AGT, why is flare not being used? is a sundry on file for venting of gas? |                                   |                     |                  |  |
| <b>Flaring:</b>          |   |                                   |                     |                  |  |
| Type                     | Satisfactory/Unsatisfactory   | Comment                           | Corrective Action   | CA Date          |  |
| Field Flare              | Satisfactory  | does not appear to be in use      |                     |                  |  |
| <b><u>Predrill</u></b>   |   |                                   |                     |                  |  |
| Location ID: 420406      |   |                                   |                     |                  |  |
| <b>Site Preparation:</b> |   |                                   |                     |                  |  |
| Lease Road Adeq.:        |   | Pads:                             | Soil Stockpile:     |                  |  |

Corrective Action: \_\_\_\_\_

Date: \_\_\_\_\_

CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

| Group | User      | Comment   | Date       |
|-------|-----------|---|------------|
| OGLA  | kubeczkod | The surface soils and materials are fine-grained and highly unconsolidated; therefore the pad shall be constructed as quickly as possible and appropriate BMPs need to be in place both during, after well pad construction completion, as well as during all drilling and well completion operations. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff. | 11/01/2010 |
| OGLA  | kubeczkod | 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.   | 11/01/2010 |
| OGLA  | kubeczkod | Location is in a sensitive area because of the potential for shallow groundwater; therefore either a lined drilling pit or closed loop system must be implemented.  | 11/01/2010 |
| OGLA  | kubeczkod | Flowback to tanks only. Operator must submit a secondary and tertiary containment plan via sundry notice Form 4 for the tanks to Dave Kubeczko.   | 11/01/2010 |
| OGLA  | kubeczkod | 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.   | 11/01/2010 |
| OGLA  | kubeczkod | Location is in a sensitive area because of the potential for shallow groundwater; therefore production pits (if constructed) must be lined.   | 11/01/2010 |
| OGLA  | kubeczkod | Reserve pit must be lined or a closed loop system must be implemented during drilling.  | 11/01/2010 |

**Comment:** \_\_\_\_\_**CA:** \_\_\_\_\_**Date:** \_\_\_\_\_**Wildlife BMPs:**

| BMP Type | Comment   |
|----------|---|
| Wildlife | CDOW waived consultation (see attached correspondence). Opeartor will comply with Rule 1204 (a)(1), bear-proof dumpsters, if required by COGCC. |

**Comment:** \_\_\_\_\_**CA:** \_\_\_\_\_**Date:** \_\_\_\_\_**Stormwater:**

|              |         |            |         |
|--------------|---------|------------|---------|
| Erosion BMPs | Present | Other BMPs | Present |
|--------------|---------|------------|---------|

Inspector Name: NEIDEL, KRIS

|  |  |                                      |  |
|--|--|--------------------------------------|--|
|  |  |                                      |  |
| Corrective Action: _____   |  | Date: _____                          |  |
| Comments: Erosion BMPs: _____  |  |                                      |  |
| Other BMPs: _____  |  |                                      |  |
| <b>Comment:</b> _____  |  |                                      |  |
| <b>Staking:</b> _____  |  |                                      |  |
| <b>On Site Inspection (305):</b>   |  |                                      |  |
| <u>Surface Owner Contact Information:</u>  |  |                                      |  |
| Name: _____  |  | Address: _____                       |  |
| Phone Number: _____  |  | Cell Phone: _____                    |  |
| <u>Operator Rep. Contact Information:</u>  |  |                                      |  |
| Landman Name: _____  |  | Phone Number: _____                  |  |
| Date Onsite Request Received: _____  |  | Date of Rule 306 Consultation: _____ |  |
| Request LGD Attendance: _____  |  |                                      |  |
| <u>LGD Contact Information:</u>  |  |                                      |  |
| Name: _____  |  | Phone Number: _____                  |  |
|  |  | Agreed to Attend: _____              |  |
| <u>Summary of Landowner Issues:</u>  |  |                                      |  |
|  |  |                                      |  |
| <u>Summary of Operator Response to Landowner Issues:</u>                                 |  |                                      |  |
|  |  |                                      |  |
| <u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u> |  |                                      |  |
|  |  |                                      |  |

**Facility**

|                     |            |                       |            |                  |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 420405 | Type: WELL | API Number: 057-06507 | Status: XX | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

**Producing Well**

Comment: well is pumping

**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:**

|                        |                   |             |       |
|------------------------|-------------------|-------------|-------|
|                        |                   | Lat         | Long  |
| DWR Receipt Num: _____ | Owner Name: _____ | GPS : _____ | _____ |

**Field Parameters:**

Sample Location: \_\_\_\_\_

Emission Control Burner (ECB): \_\_\_\_\_

Inspector Name: NEIDEL, KRIS

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? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Waste Material Onsite? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Unused or unneeded equipment onsite? \_\_\_\_\_ CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Pit, cellars, rat holes and other bores closed? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Guy line anchors removed? \_\_\_\_\_ CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Guy line anchors marked? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

1003b. Area no longer in use? Fail Production areas stabilized ? Fail

1003c. Compacted areas have been cross ripped? \_\_\_\_\_

1003d. Drilling pit closed? Fail Subsidence over on drill pit? Fail

Cuttings management: \_\_\_\_\_

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? Fail

Production areas have been stabilized? Fail Segregated soils have been replaced? \_\_\_\_\_

**RESTORATION AND REVEGETATION**

Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

1003 f. Weeds Noxious weeds? \_\_\_\_\_

Comment: There is a topsoil disturbance on the eastside of location, what is this from? It appears like recent work and has increased the footprint of location. Provide information to inspector what this is. No Interim reclamation has been begun.

Overall Interim Reclamation Fail

**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 \_\_\_\_\_

Inspector Name: NEIDEL, KRIS

|   |   |
|---|---|
| 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 _____                               | 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
|                  |                 |                         |                       |               |                          |         |

S/U/V: **Unsatisfactory** Corrective Date: **07/02/2013**

Comment: it does not appear that a SWAP has been followed.

CA: Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.

**Pits:**

Pit Type: Drilling Pit Lined: YES Pit ID: Lat: Long:

**Lining:**

Liner Type: PVC Liner Condition: Inadequate

Comment: \_\_\_\_\_

**Fencing:**

Fencing Type: Fencing Condition: \_\_\_\_\_

Comment: \_\_\_\_\_

**Netting:**

Netting Type: Netting Condition: \_\_\_\_\_

Comment: \_\_\_\_\_

Anchor Trench Present: Oil Accumulation: NO 2+ feet Freeboard: \_\_\_\_\_

Pit (S/U/V): **Violation** Comment: old pit liner pieces where old drilling pit was. It appears that old pit liner was shredded and disposed on location, this is not an approved method for disposal. Berm on south side of location appears to be made from cuttings (cement and liner pieces are visible in berm).

Corrective Action: All pieces of liner need to be removed from location and disposed of at a proper facility, haul tickickets should be provided as a part of the resolve of this issue. Do not do any further reclamation on this area until this issue is resolved with COGCC staff. Contents of pit may meet the 910-1 table but pit liner does not.

Date: **07/02/2013**