

**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



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Inspection Date:

05/17/2013

Document Number:

667100043

Overall Inspection:

Violation**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection
	<u>420405</u>	<u>420406</u>	<u>FISCHER, ALEX</u>	<input type="checkbox"/> 2A Doc Num: _____

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	
NEIDEL, KRIS		kris.neidel@state.co.us	
		carlos.lujan@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:

On May 17, 2013 COGCC representatives Alex Fischer and Carlos Lujan completed a field inspection and the following was noted: Location is within a Sensitive Area Livestock electric fence in disrepair. Evidence of animal tracks throughout location. Excess piping and materials stored on pad. Trash (rags, mud flap, 5-gallon bucket) littering location. An approximate 2' X 4' oil stain outside berm of separator. Containment within separator berm shows oil stains. Free pooling oil on ground surface beneath separator. Oil staining on gravel beneath valve of tank that is labeled "Water." Three tanks are not properly labeled and placard. Oil staining on thief hatch and down side of tank that is labeled "Water." Tanks appear to be venting to the atmosphere. Oil staining at well head and stuffing box. Pad berm is compromised with animal burrows. Berm on the south side of the location appears to be constructed of E&P waste and what appears to be E&P waste outside of berm.

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

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				
Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
BATTERY	Violation	Three tanks are not properly labeled and placard.	Install signs and labels to comply with Rule 210.d.	06/18/2013
Emergency Contact Number: (S/U/V) _____			Corrective Date: _____	
Comment: _____				
Corrective Action: _____				
Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
STORAGE OF SUPL	Unsatisfactory	Excess piping and materials stored on pad.	Locations shall be kept free of excess equipment, Rule 603.j.	06/18/2013
TRASH	Unsatisfactory	Trash (rags, mud flap, 5-gallon bucket) littering location.	Locations shall be kept free of trash, Rule 603.j.	06/18/2013
Spills:				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Separator	<= 5 bbls	An approximate 2' X 4' oil stain outside berm of separator. Containment within separator berm shoes oil stains. Free pooling oil on ground surface beneath separator. Remediate pooling oil and oily soil. Make corrections to prevent this from occurring.	06/29/2013
Crude Oil	Valve	<= 5 bbls	Oil staining on gravel beneath valve of tank that is labeled "Water." Remediate oily soil and make corrections to prevent this from occurring.	07/02/2013
Crude Oil	WELLHEAD	<= 5 bbls	Oil staining at well head and stuffing box. Remediate oily soil and make corrections to prevent this from occurring.	07/02/2013
<input checked="" type="checkbox"/> Multiple Spills and Releases?				
Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
LOCATION	Unsatisfactory	Livestock electric fence in disrepair. Evidence of animal tracks throughout location.	Make repairs to prevent wildlife and livestock from entering location.	07/02/2013
Equipment:				
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action
				CA Date
Venting:				
Yes/No	Comment			
YES	Tanks appear to be venting to the atmosphere.			
Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 420406

Site Preparation:

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

Corrective Action: _____

Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
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	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	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	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	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	Reserve pit must be lined or a closed loop system must be implemented during drilling.	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

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:**

Inspector Name: FISCHER, ALEX

Erosion BMPs	Present	Other BMPs	Present
Corrective Action: _____ Date: _____			
Comments: Erosion BMPs: _____			
Other BMPs: _____			
Comment: _____			
Staking: _____			
On Site Inspection (305):			
<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>			

Environmental

Spills/Releases:

Type of Spill: OIL Description: See Comments below Estimated Spill Volume: _____

Comment: An approximate 2' X 4' oil stain outside berm of separator. Containment within separator berm shows oil stains. Free pooling oil on ground surface beneath separator. Oil staining on gravel beneath valve of tank that is labeled "Water." Oil staining at well head and stuffing box. Oil staining on gravel beneath valve of tank that is labeled "Water."

Corrective Action: Remediate and take actions to prevent further impact and notify surface owner. Date: 07/02/2013

Reportable: YES GPS: Lat _____ Long _____

Proximity to Surface Water: 500 Depth to Ground Water: 10

Water Well:

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

Field Parameters:

Sample Location: _____

Waste Management:				
Type	Management	Condition	Comment	GPS (Lat) (Long)
Oily Soil	Other	Inadequate	Clean up oil impacted material and properly dispose. Waste manifests to be provided on completion of remediation. Remediation to be completed by July 2, 2013.	
Drill Cuttings Oily				

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? _____

Inspector Name: FISCHER, ALEX

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

Multi-Well Location



Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Berms	Fail			MHSP	Fail	

S/U/V: **Violation**

Corrective Date: **06/18/2013**

Comment: Pad berm is compromised with animal burrows.

Berm on the south side of the location appears to be constructed of E&P waste and what appears to be E&P waste outside of berm.

CA: Properly construct berm with appropriate material and not E&P waste. Address the animal burrows in the berm. Properly dispose of the E&P waste and provide waste manifests.