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|--|---|--|-----------------------|--------------------------|-------------------|---|
| FORM INSP <small>Rev 05/11</small> | State of Colorado Oil and Gas Conservation Commission <small>1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109</small> |  | DE | ET | OE | ES |
| FIELD INSPECTION FORM | | | | | | Inspection Date: <u>12/23/2013</u> Document Number: <u>673700513</u> Overall Inspection: <u>Satisfactory</u> |
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | | |
| | <u>234561</u> | <u>317023</u> | <u>Sherman, Susan</u> | <input type="checkbox"/> | 2A Doc Num: _____ | |

Operator Information:

OGCC Operator Number: _____

Name of Operator: GRAYHORSE OPERATING, INC.

Address: 20 EAST 5TH ST STE 320

City: TULSA State: OK Zip: 74103

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

| Contact Name | Phone | Email | Comment |
|----------------|----------------|-------------------------|---------|
| Crumely, Tim | (970) 768-5959 | tcrumley@centurytel.com | |
| Ellis, Charles | (918) 382-9201 | caellis@grayhorse.net | |

Compliance Summary:

QtrQtr: NESW Sec: 34 Twp: 1N Range: 54W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 07/16/2012 | 663400621 | PR | TA | Unsatisfactory | P | | No |
| 06/10/2010 | 200255400 | ES | PR | Unsatisfactory | | | No |
| 01/12/2010 | 200226873 | ES | PR | Unsatisfactory | | | Yes |
| 01/09/2008 | 200124916 | PR | PR | Satisfactory | | | No |
| 05/21/2003 | 200039433 | PR | PR | Satisfactory | | Pass | No |
| 10/18/1995 | 500158741 | PR | PR | | | Pass | No |
| 01/04/1995 | 500158740 | PR | PR | | | Pass | |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------|--|
| 234561 | WELL | PR | 04/26/1958 | OW | 121-06688 | HORN, RUTH B 1 | PR <input checked="" type="checkbox"/> |

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 |
| CONTAINERS | Unsatisfactory | Label worn off chemical container (see attached photo). | Install sign to comply with rule 210. | 12/31/2013 |
| WELLHEAD | Satisfactory | | | |

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

Comment: _____

Corrective Action: _____

| Spills: | | | | |
|--|------|--------|-------------------|---------|
| Type | Area | Volume | Corrective action | CA Date |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

| Fencing/: | | | | |
|------------------|-----------------------------|----------------------|-------------------|---------|
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| WELLHEAD | Satisfactory | 4 strand barbed wire | | |

| Equipment: | | | | | |
|--------------------|---|-----------------------------|----------|-------------------|---------|
| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| Pump Jack | 1 | Satisfactory | | | |
| Deadman # & Marked | 4 | Satisfactory | | | |
| Prime Mover | 1 | Satisfactory | Electric | | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------|---|----------|---------------------|--------|
| | | | CENTRALIZED BATTERY | |

S/U/V: _____ Comment: See well 1221-06694 for Horn B Lease Battery information.

Corrective Action: _____ Corrective Date: _____

Paint

Condition: _____

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
| | | | | |

Corrective Action: _____ Corrective Date: _____

Comment: _____

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

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

Predrill

Location ID: 234561

Site Preparation:

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

S/U/V: _____

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

Form 2A COAs:

S/U/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/U/V: _____ **Comment:** _____

CA: _____ **Date:** _____

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:

Facility

Facility ID: 234561 Type: WELL API Number: 121-06688 Status: PR Insp. Status: PR

Producing Well

Comment: **PR**
Oct 2013 last reported

Environmental

Spills/Releases:

Inspector Name: Sherman, Susan

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): _____
 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

Inspector Name: Sherman, Susan

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: Snow on ground but new seeding observed around wellhead.

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

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

Final Land Use: _____

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 _____ Well Release on Active Location Multi-Well Location

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Seeding | Pass | | | | | |
| Gravel | Pass | Gravel | Pass | | | |
| Compaction | Pass | Compaction | Pass | MHSP | Pass | |

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

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|---------------------------------------|---|
| 673700514 | Ruth Horn B Well No. 1 Sign | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3252805 |
| 673700515 | Ruth Horn B Well No. 1 Wellhead | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3252806 |
| 673700516 | Ruth Horn B Well No. 1 Deadman marked | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3252807 |

| | | |
|-----------|---|---|
| 673700517 | Ruth Horn B Well No. 1 Container label | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3252808 |
|-----------|---|---|