

Inspector Name: Sherman, Susan

**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
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Inspection Date:

02/28/2014

Document Number:

663100384

Overall Inspection:

Violation**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection
	233291	316934	Sherman, Susan	<input type="checkbox"/> 2A Doc Num: _____

Operator Information:

OGCC Operator Number:

Name of Operator: KESTREL RESOURCES INCAddress: 2602 MCKINNEY AVE STE 400City: DALLAS State: TX Zip: 75204

- ☐ 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
LEONARD, MIKE		mike.leonard@state.co.us	
Ward, Amy	(214) 871-0999 X121	award@petrocap.com	
NOTO, JOHN		john.noto@state.co.us	

Compliance Summary:QtrQtr: NWNW Sec: 36 Twp: 3S Range: 53W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/10/2004	200058479	PR	PR	Satisfactory		Pass	No
08/25/1997	500158217	ID	TA			Fail	Yes
04/25/1997	500158216	ES	PR			Pass	No
04/17/1997	500158215	ES	PR			Fail	Yes
04/15/1997	500158214	PR	PR			Fail	Yes

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
233291	WELL	PR	12/17/2004	OW	121-05320	COLORADO STATE 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

Lease Road:				
Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Main	Satisfactory			
Access	Unsatisfactory	Low spots on access road are gathering water and are driven around.	Maintain access road.	03/28/2014

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
CONTAINERS	Satisfactory	3 containers		
BATTERY	Unsatisfactory	No emergency contact number (see attached photo).	Install sign to comply with rule 210.	03/28/2014
WELLHEAD	Unsatisfactory	No emergency contact number (see attached photo).	Install sign to comply with rule 210.	03/28/2014
TANK LABELS/PLACARDS	Unsatisfactory	PW tank (300 BBL) no NFPA label. Other tanks are labeled.	Install sign to comply with rule 210.	03/28/2014

Emergency Contact Number: (S/U/V) Unsatisfactory

Corrective Date: 03/28/2014

Comment: Pumper said that he would put stickers on sign with his phone number (2/28/14).

Corrective Action:

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	Unsatisfactory	Sucker rods and tubing at well (see attached photo).	Remove equipment.	03/28/2014

Spills:				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	> 5 bbls	Remove and remediate stained soil in PW tank berms.	03/01/2014

☐ Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
PUMP JACK	Satisfactory	steel panel		
TANK BATTERY	Satisfactory	Fence on field edges not on road.		

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Ancillary equipment	6	Satisfactory	2 REA poles, 2 transformers, electric box, propane tank at treater		
Horizontal Heater Treater	1	Satisfactory	Berms39.75107-103.27358		
Prime Mover	1	Satisfactory	electric		

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Bird Protectors	1	Satisfactory	treater		
Deadman # & Marked	4	Satisfactory			
Pump Jack	1	Satisfactory	guards off		

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	STEEL AST	39.751280,-103.273390

S/U/V:		Comment:	tan tank
Corrective Action:		Corrective Date:	

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficent	Base Sufficient	Adequate

Corrective Action		Corrective Date	
Comment			

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	300 BBLS	FIBERGLASS AST	39.751290,-103.273480

S/U/V:	Satisfactory	Comment:	No NFPA label. Black tank.
Corrective Action:		Corrective Date:	

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficent	Base Sufficient	Adequate

Corrective Action		Corrective Date	
Comment			

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Facilities:		<input type="checkbox"/> New Tank		Tank ID: _____	
Contents	#	Capacity	Type	SE GPS	
CRUDE OIL	2	500 BBLS	STEEL AST	39.751350,-103.273510	
S/U/V:	Satisfactory		Comment: _____		
Corrective Action:				Corrective Date: _____	
Paint					
Condition	Adequate				
Other (Content) _____					
Other (Capacity) _____					
Other (Type) _____					
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate	
Corrective Action				Corrective Date	
Comment _____					
Venting:					
Yes/No		Comment			
Flaring:					
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date	

Predrill

Location ID: 233291

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: 233291 Type: WELL API Number: 121-05320 Status: PR Insp. Status: PR

Producing WellComment: PR
Dec 2013 last reported**Environmental****Spills/Releases:**

Type of Spill: WATER Description: E PW Pit Berm Breached Estimated Spill Volume: _____

Comment: _____

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Breach in produced water pit berm was discovered by COGCC field inspector on 2/28/14. Operator was contacted and repair began within 2 hours of being notified. COGCC EPS, J. Noto and Inspector S. Sherman met with pumper on site. COGCC observed flow toward the cropland east of the pit and standing water on the cropland (see attached photos). Oil Stained soil and weeds along banks of first and second produced water pits. COGCC also gave pumper verbal notice of oil accumulation on PW pit and 24-hour removal requirement. Pumper agreed to remove oil.

Corrective Action: See comments section at end of report for environmental corrective actions.

Date: 03/01/2014

Reportable: YES

GPS: Lat 39.749409

Long -103.271649

Proximity to Surface Water: 5975

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: wheat field

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? 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? Pass Production areas stabilized ? Pass

1003c. Compacted areas have been cross ripped?

1003d. Drilling pit closed? Pass 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? Pass

Production areas have been stabilized? Pass Segregated soils have been replaced?

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RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____

Recontoured Pass

Perennial forage re-established Pass

Non-Cropland

Top soil replaced _____

Recontoured _____

80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: Pass at well location, not at tank battery.

Overall Interim Reclamation Fail

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
Gravel	Pass	Gravel	Pass			
Compaction	Pass	Compaction	Pass	MHSP	Fail	

S/U/V: Unsatisfactory

Corrective Date: 04/28/2014

Comment: See attached photo.

CA: Provide stormwater BMPs for containers at well.

Pits: ☐ NO SURFACE INDICATION OF PIT

Pit Type: Skimming/Settling Lined: NO Pit ID: 107610 Lat: 39.749409 Long: -103.271649

Lining:

Liner Type: Liner Condition:

Comment: 39.75114, -103.27331

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Mesh Netting Condition: Good

Comment: double layer

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

Pit (S/U/V): Unsatisfactory Comment: Pit under Peterson Energy ownership in COGCC database.
Kestrel to transfer ownership.

Corrective Action: Remove and remediate oil from pit. Date: 03/28/2014

Pit Type: Produced Water Lined: NO Pit ID: 117582 Lat: 39.784838 Long: -103.421624

Lining:

Liner Type: Liner Condition:

Comment:

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Netting Condition:

Comment:

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

Pit (S/U/V): Comment: One side of pit was excavated. Soils from pit used to
repair breach. Pit under Barfield ownership in COGCC database.
Kestrel to transfer ownership.

Corrective Action: Date:

Pit Type: Produced Water Lined: NO Pit ID: 107611 Lat: 39.749409 Long: -103.271649

Lining:

Liner Type: Liner Condition:

Comment: 39.75125, -103.27299

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Netting Condition:

Comment:

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

Pit (S/U/V): Unsatisfactory Comment: Pit east of two PW tanks.
Pit under Peterson Energy ownership in COGCC database.
Kestrel to transfer ownership.
See attached photos.

Corrective Action: Remove and remediate oil from edges of pit. Date: 03/28/2014

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Pit Type: Produced Water Lined: NO Pit ID: 107612 Lat: 39.749409 Long: -103.271649

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

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

Pit (S/U/V): Unsatisfactory

Comment: Large pit on eastern edge of location.
Pit berms breached on south side of pit (see attached photos).
Flowing into wheat field (~1 cfs).
Field saturated from breach along east side of pit,
into field ~300'). Pit under Peterson Energy ownership in COGCC database.
Kestrel to transfer ownership.

Corrective Action: Reportable spill.
See environmental section of inspection.

Date: _____

COGCC Comments

Comment	User	Date
<u>Remove accumulated oil from water on produced water pit by March 1, 2014.</u> <u>Remove oil stained soil and weeds from banks of produced water pit berms by March 14, 2014.</u> <u>COGCC requires operator to submit a Form 19, Spill Report for produced water spill by March 3, 2014</u> <u>(within 72 hours of discovery per Rule 906.b.)</u> <u>COGCC requires operator to submit a Form 27, Site Investigation and Remediation Workplan by March</u> <u>21, 2014 with a sampling/analysis plan to address the potential impacts of the produced water spill.</u>	ShermaSe	03/03/2014

Attached Documents

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

Document Num	Description	URL
663100398	Kestrel CO State 60-4818 1 well containers	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292331
663100399	Kestrel CO State 60-4818 1 well sign	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292332
663100400	Kestrel CO State 60-4818 1 well unused equipment	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292333
663100401	Kestrel CO State 60-4818 Bat pit breach	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292334
663100402	Kestrel CO State 60-4818 Bat sign	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292335
663100403	Kestrel CO State 60-4818 Bat pit breach	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292336
663100404	Kestrel CO State 60-4818 Bat PW tank stained soil	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292337
663100405	Kestrel CO State 60-4818 Bat PW tank oil in berm	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292338
663100406	Kestrel CO State 60-4818 Bat PW and pit tanks	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292339

663100407	Kestrel CO State 60-4818 Bat skim pit	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292340
663100408	Kestrel CO State 60-4818 Bat pit edges with oil	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292341
663100409	Kestrel CO State 60-4818 Bat pit edges with oil	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292342
663100410	Kestrel CO State 60-4818 Bat stained soil at PW tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292343
663100412	Kestrel CO State 60-4818 Bat PW spill in field	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292344
663100414	Kestrel CO State 60-4818 Bat pit breach pipe flow	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292345
663100415	Kestrel CO State 60-4818 Bat PW tank pipe flow	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292346
663100416	Kestrel CO State 60-4818 Bat pit S of skim pit	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292347
663100424	animal burrow inside of produced water pit	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292348
663100425	flowpath of produced water from breach facing W	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292349
663100426	standing water east of produced water pit facing W	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292350
663100427	berm repair	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3292351