

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:
04/23/2014

Document Number:
673702605

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|-----------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>235961</u> | <u>317079</u> | <u>Sherman, Susan</u> | <input type="checkbox"/> | |

Operator Information:

| | |
|-----------------------|---|
| OGCC Operator Number: | <u>47085</u> |
| Name of Operator: | <u>KESTREL RESOURCES INC</u> |
| Address: | <u>2602 MCKINNEY AVE STE 400</u> |
| City: | <u>DALLAS TX</u> State: <u>TX</u> Zip: <u>75204</u> |

- 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 |
|--------------|------------------------|-----------------------|---------|
| NOTO, JOHN | | john.noto@state.co.us | |
| Ward, Amy | (214) 871-0999 X121 | award@petrocap.com | |

Compliance Summary:

| QtrQtr: <u>NENW</u> | | Sec: <u>14</u> | | Twp: <u>3S</u> | | Range: <u>51W</u> | |
|---------------------|-----------|----------------|-------------|-------------------------------|----------|-------------------|-----------------|
| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
| 11/08/2007 | 200122110 | PR | PR | SATISFACTOR Y | | | No |
| 09/18/2007 | 200119072 | PR | PR | ACTION REQUIRED | | | Yes |
| 05/04/2007 | 200111082 | PR | PR | SATISFACTOR Y | | Pass | No |
| 03/20/2003 | 200036514 | PR | PR | ACTION REQUIRED | | Fail | Yes |
| 01/29/1996 | 500159174 | PR | PR | | | Fail | No |
| 12/05/1995 | 500159173 | PR | PR | | | Pass | No |
| 09/18/1995 | 500159171 | PR | PR | | | Fail | Yes |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|--|
| 107537 | PIT | AC | 12/08/2005 | | - | TRAVIS | AC <input type="checkbox"/> |
| 107538 | PIT | AC | 12/08/2005 | | - | TRAVIS | AC <input type="checkbox"/> |
| 107539 | PIT | AC | 12/08/2005 | | - | TRAVIS | AC <input type="checkbox"/> |
| 107540 | PIT | AC | 12/08/2005 | | - | TRAVIS | AC <input type="checkbox"/> |
| 235961 | WELL | PR | 08/12/2008 | OW | 121-08451 | TRAVIS 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/Action Required | Comment | Corrective Action | CA Date |
| TANK LABELS/PLACARDS | ACTION REQUIRED | no labels | Install sign to comply with rule 210. | 06/02/2014 |
| BATTERY | ACTION REQUIRED | No emergency contact number (see attached photo). | Install sign to comply with rule 210. | 06/02/2014 |
| CONTAINERS | ACTION REQUIRED | no labels | Install sign to comply with rule 210. | 06/02/2014 |
| WELLHEAD | | no sign | | |

Emergency Contact Number (S/A/V): ACTION Corrective Date: 06/02/2014

Comment: _____

Corrective Action: Live person 24/7/365.

| Good Housekeeping: | | | | |
|---------------------------|------------------------------|---|-------------------|------------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| UNUSED EQUIPMENT | ACTION REQUIRED | At wellhead belt cover on ground and used belts (see attached photo). | Remove. | 06/02/2014 |

| Spills: | | | | |
|----------------|-----------|-----------|--|------------|
| Type | Area | Volume | Corrective action | CA Date |
| Lube Oil | Pump Jack | <= 5 bbls | Clean pump jack. | 06/02/2014 |
| Crude Oil | Tank | | See attached photos of stained soils inside and outside of tank berms. Remove and remediate stained soils. | 06/02/2014 |
| Crude Oil | WELLHEAD | <= 5 bbls | Remove and remediate stained soil. | 05/09/2014 |

Multiple Spills and Releases?

| Fencing/: | | | | |
|------------------|------------------------------|--------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| PUMP JACK | SATISFACTORY | steel panels | | |
| WELLHEAD | SATISFACTORY | barbed wire | | |

| Equipment: | | | | | |
|-------------------------|---|------------------------------|----------------------------------|-------------------|------------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Veritcal Heater Treater | 1 | ACTION REQUIRED | Not labeled, same berms as FWKO. | Label tank. | 06/02/2014 |

Inspector Name: Sherman, Susan

| | | | | | |
|---------------------|---|-----------------|--|-------------|------------|
| Ancillary equipment | 8 | SATISFACTORY | Two propane tanks and 6 REA poles | | |
| Deadman # & Marked | 4 | SATISFACTORY | | | |
| FWKO | 1 | ACTION REQUIRED | Not labeled, berms 39.80035, - 103.05965 | Label tank. | 06/02/2014 |
| Bird Protectors | 1 | SATISFACTORY | VHT | | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|-----------|---|----------|-----------|-----------------------|
| CRUDE OIL | 3 | 300 BBLS | STEEL AST | 39.800380,-103.059390 |

| | | | |
|--------|-----------------|----------|-------------|
| S/A/V: | ACTION REQUIRED | Comment: | not labeled |
|--------|-----------------|----------|-------------|

| | | | |
|--------------------|--|------------------|--|
| Corrective Action: | | Corrective Date: | |
|--------------------|--|------------------|--|

Paint

| | |
|-----------|--|
| Condition | |
|-----------|--|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------|------------|---------------------|---------------------|-------------|
| Earth | Inadequate | Walls Insufficient | Base Sufficient | Inadequate |

| | | | |
|-------------------|---|-----------------|------------|
| Corrective Action | Maintain berm (gravel stock pile present) | Corrective Date | 06/02/2014 |
| Comment | | | |

Venting:

| | |
|--------|---------|
| Yes/No | Comment |
| | |

Flaring:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|------|------------------------------|---------|-------------------|---------|
| | | | | |

Predrill

Location ID: 235961

Site Preparation:

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

S/AV: _____

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

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **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: 235961 Type: WELL API Number: 121-08451 Status: PR Insp. Status: PR

Producing Well

Comment: **Feb 2014 last reported production data.**

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: pasture

- 1003a. Debris removed? Pass CM _____
CA _____ CA Date _____
- Waste Material Onsite? Pass CM _____
CA _____ CA Date _____
- Unused or unneeded equipment onsite? Pass 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? _____ 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? Pass

Production areas have been stabilized? Pass 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 Pass

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation Pass

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 | | | | | |
| Compaction | Pass | Compaction | Fail | MHSP | Fail | |

S/A/V: **ACTION REQUIRED** Corrective Date: **06/02/2014**

Comment: _____

CA: **Install stormwater BMPs for road and containers.**

Pits: NO SURFACE INDICATION OF PIT

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 39.800210 Long: -103.060440

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: NO 2+ feet Freeboard: _____

Pit (S/A/V): SATISFACTOR Comment: **N pit, ~75'x200'**

Corrective Action: _____ Date: _____

Pit Type: Produced Water Lined: NO Pit ID: Lat: 39.799910 Long: -103.060450

Lining:

Liner Type: Liner Condition:

Comment:

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Netting Condition:

Comment:

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

Pit (S/A/V): SATISFACTOR Comment: empty

Corrective Action: Date:

Pit Type: Produced Water Lined: NO Pit ID: Lat: 39.800000 Long: -103.060480

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/A/V): ACTION Comment: Middle pit, ~75'x75'

Corrective Action: Remove oily weeds from pit. Date:

Pit Type: Skimming/Settling Lined: YES Pit ID: Lat: 39.799980 Long: -103.060380

Lining:

Liner Type: Liner Condition:

Comment:

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Metal Grid Netting Condition: Good

Comment:

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

Pit (S/A/V): ACTION Comment:

Corrective Action: Remove oil on skim pit. Date: 05/09/2014

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------------|---|
| 673702636 | Kestrel Travis 1 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328398 |
| 673702637 | Kestrel Travis 1 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328399 |
| 673702638 | Kestrel Travis 1 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328400 |
| 673702639 | Kestrel Travis 1 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328401 |
| 673702640 | Kestrel Travis 1 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328402 |
| 673702641 | Kestrel Travis 1 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328403 |
| 673702642 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328404 |
| 673702643 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328405 |
| 673702644 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328406 |
| 673702645 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328407 |
| 673702646 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328408 |
| 673702647 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328409 |
| 673702648 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328410 |
| 673702649 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328411 |
| 673702650 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328412 |
| 673702651 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328413 |
| 673702652 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328414 |
| 673702653 | Kestrel Travis 1 Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3328415 |