

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 |
|----|----|----|----|
|----|----|----|----|

Inspection Date:

07/07/2014

Document Number:

673704647

Overall Inspection:

**ACTION REQUIRED****FIELD INSPECTION FORM**

|                     |             |        |                 |                          |             |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection       | 2A Doc Num: |
|                     | 233377      | 316944 | Sherman, Susan  | <input type="checkbox"/> |             |

**Operator Information:**OGCC Operator Number: 47085Name 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 |
|--------------|------------------------|-----------------------|---------|
| Ward, Amy    | (214) 871-0999<br>X121 | award@petrocap.com    |         |
| NOTO, JOHN   |                        | john.noto@state.co.us |         |

**Compliance Summary:**QtrQtr: SWNE Sec: 30 Twp: 3S Range: 51W

| Insp. Date | Doc Num   | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 02/26/2014 | 663100313 | PR         | PR          | <b>ACTION REQUIRED</b>        |          |                | No              |
| 11/21/2007 | 200122694 | PR         | PR          | SATISFACTOR Y                 |          |                | No              |
| 05/10/2007 | 200112003 | PR         | PR          | SATISFACTOR Y                 |          | Pass           | No              |
| 07/29/2005 | 200075151 | PR         | PR          | SATISFACTOR Y                 |          | Pass           | No              |
| 10/02/2000 | 200010434 | PR         | PR          | SATISFACTOR Y                 |          | Pass           | No              |
| 02/29/2000 | 200004015 | PR         | PR          | SATISFACTOR Y                 |          | Pass           | No              |
| 09/21/1998 | 500158271 | PR         | PR          |                               |          | Fail           | Yes             |
| 12/05/1995 | 500158270 | PR         | PR          |                               |          |                | Yes             |
| 09/18/1995 | 500158269 | PR         | PR          |                               |          | Pass           | No              |
| 07/14/1994 | 500158268 |            | PR          |                               |          |                |                 |

**Inspector Comment:****Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status              |
|-------------|------|--------|-------------|------------|---------|---------------|--------------------------|
| 107546      | PIT  |        | 09/23/1999  |            | -       | DAVIS 1       | <input type="checkbox"/> |
| 107547      | PIT  |        | 09/23/1999  |            | -       | DAVIS 1       | <input type="checkbox"/> |

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|        |      |    |            |    |           |             |    |                                     |
|--------|------|----|------------|----|-----------|-------------|----|-------------------------------------|
| 107548 | PIT  |    | 09/23/1999 |    | -         | DAVIS 1     |    | <input type="checkbox"/>            |
| 233377 | WELL | PR | 11/06/1963 | OW | 121-05413 | DAVIS W T 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 Motors: _____ | 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 | SATISFACTORY                 |         |                   |         |
| WELLHEAD             | SATISFACTORY                 |         |                   |         |
| BATTERY              | SATISFACTORY                 |         |                   |         |

Emergency Contact Number (S/A/V): SATISFACTORY

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

Comment: Emergency contact number added per 2/26/2014 inspection.

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

**Spills:**

| Type      | Area          | Volume    | Corrective action   | CA Date    |
|-----------|---------------|-----------|---|------------|
| Crude Oil | WELLHEAD      | <= 5 bbls | Fix leak. Remove or remediate stained soil at wellhead. See attached photo. | 08/08/2014 |
| Crude Oil | Truck Loadout | <= 5 bbls | Remove or remediate stained soil at truck loadout. See attached photo.      | 08/08/2014 |

☐ Multiple Spills and Releases?**Venting:**

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

**Flaring:**

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

**Predrill**

Location ID: 233377

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/A/V:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:****S/A/V:** \_\_\_\_\_ **Comment:** \_\_\_\_\_**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_**Wildlife BMPs:****S/A/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: 233377 Type: WELL API Number: 121-05413 Status: PR Insp. Status: PR

**Producing Well**

Comment: May 2014 last reported production data.

**Environmental****Spills/Releases:**

Type of Spill: \_\_\_\_\_ Description: \_\_\_\_\_ Estimated Spill Volume: \_\_\_\_\_

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

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

Reportable: \_\_\_\_\_ GPS: Lat \_\_\_\_\_ Long \_\_\_\_\_

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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: \_\_\_\_\_

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**

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

**Non-Cropland**

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ 80% Revegetation \_\_\_\_\_

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

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

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
|                  |                 |                         |                       |               |                          |         |

S/A/V: \_\_\_\_\_

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

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

CA: \_\_\_\_\_

**Pits:** ☐ NO SURFACE INDICATION OF PIT

Pit Type: Produced Water Lined: NO Pit ID: \_\_\_\_\_ Lat: \_\_\_\_\_ Long: \_\_\_\_\_

**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: \_\_\_\_\_

Corrective Action: Per 2/26/2014 inspection-"Clean oil on edges of pit."

Date: 08/08/2014

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Pit Type: Skimming/Settling Lined: NO Pit ID: \_\_\_\_\_ Lat: \_\_\_\_\_ Long: \_\_\_\_\_

**Lining:**

Liner Type: \_\_\_\_\_ Liner Condition: \_\_\_\_\_

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

**Fencing:**

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

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

**Netting:**

Netting Type: Mesh Netting Condition: Gaps

Comment: Called pumper and he will fix.

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

Pit (S/A/V): ACTION Comment: Called pumper on 7/7/2014 and he will pump out oil on skim pit.

Corrective Action: Pump off free oil and fix bird mesh.

Submit Form 27 to retire skim pit and put tank into service.

Date: 07/16/2014

**COGCC Comments**

| Comment | User     | Date       |
|---------|----------|------------|
|         | ShermaSe | 07/13/2014 |

**Attached Documents**

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

| Document Num | Description                                       | URL   |
|--------------|---|---|
| 673704713    | Kestrel Davis WT1 well sign                       | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387610">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387610</a> |
| 673704714    | Kestrel Davis WT1 wellhead stained soil           | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387611">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387611</a> |
| 673704715    | Kestrel Davis WT1 Bat sign                        | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387612">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387612</a> |
| 673704716    | Kestrel Davis WT1 Bat weeds north of pits         | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387613">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387613</a> |
| 673704718    | Kestrel Davis WT1 Bat treater soil cleaned up     | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387614">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387614</a> |
| 673704719    | Kestrel Davis WT1 Bat truck loadout stained soil  | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387615">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387615</a> |
| 673704720    | Kestrel Davis WT1 Bat produced water tank labeled | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387616">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387616</a> |
| 673704722    | Kestrel Davis WT1 Bat skim pit                    | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387617">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387617</a> |
| 673704723    | Kestrel Davis WT1 Bat skim pit bird mesh open     | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387618">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3387618</a> |