

**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:

03/13/2015

Document Number:

674900350

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	214922	325511	Hughes, Jim	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10254Name of Operator: RED MESA HOLDINGS/O&G LLCAddress: 5619 DTC PARKWAY - STE 800City: GREENWOOD State: CO Zip: 80111

- ☐ 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
Labowskie, Steve		steve.labowskie@state.co.us	
Lionette, Dave	(303) 957-2038	dlionette@madisoncap.com	
Fischer, Alex		alex.fischer@state.co.us	

Compliance Summary:QtrQtr: NWNE Sec: 26 Twp: 33N Range: 12W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
09/16/2013	663401198	PR	PR	ACTION REQUIRED	I		No
09/05/2007	200121195	PR	PR	ACTION REQUIRED			Yes
11/20/2002	200031930	PR	PR	SATISFACTORY		Pass	No
11/20/2002	200031932	PR	PR	SATISFACTORY		Pass	No
09/24/2002	200030775	CO	PR	ACTION REQUIRED			Yes
07/26/2002	200030493	CO	PR	ACTION REQUIRED		Fail	Yes
07/26/2002	200030497	CO	PR	ACTION REQUIRED		Fail	Yes
07/26/2002	200030769	ES	PR	ACTION REQUIRED			Yes
07/10/2002	200030800	CO	PR	ACTION REQUIRED		Fail	Yes
05/16/2002	200030797	CO	PR	ACTION REQUIRED		Fail	Yes
01/11/2002	200030795	CO	PR	ACTION REQUIRED		Fail	Yes
08/18/1997	500148055	PR	PR			Pass	No
07/11/1996	500148054	PR	PR			Pass	Yes
08/10/1995	500148053	PR	PR				Yes

Inspector Comment:

On March 13, 2015 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Red Mesa Holdings Herrera #3 accompanied by Scott Herrera, the land owner. This inspection resulted from the landowner contacting the COGCC to express concerns about Red Mesa wells located on his property. A fenced pit was noted during this inspection. The landowner has decided to keep the pit open as a result of concerns about the secondary containment berm at the tank battery being inadequate. For the most recent field inspection report of this facility please refer to document #663401198. The overall inspection status shall remain the same as that document until all corrective actions have been performed.

Inspector Name: Hughes, Jim

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
214922	WELL	PR	09/30/2010	OW	067-06526	HERRERA 3	EI	<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**Lease Road:**

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY			

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TRASH	ACTION REQUIRED	Drive belts discarded onto the ground near pump jack.	Remove trash from location.	04/13/2015

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	Gathering Line	<= 5 bbls	Cap crude oil gathering line. Remove/remediate impacted material.	03/23/2015

☐ Multiple Spills and Releases?**Fencing/:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
PUMP JACK	SATISFACTORY			
TANK BATTERY	SATISFACTORY	Gate post has been knocked out of position. Latch will not catch on post. Currently held closed with wire.		

Inspector Name: Hughes, Jim

PIT	SATISFACTORY	Pit southwest of well head is fenced with posts and wire.		
OTHER	SATISFACTORY	Domestic tap.		

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Flow Line	1	SATISFACTORY			
Deadman # & Marked	4	SATISFACTORY			
Pump Jack	1	SATISFACTORY	Drive belts and gear have been removed. Inactive.		
Ancillary equipment	1	SATISFACTORY	Domestic tap.		

Facilities:					
<input type="checkbox"/> New Tank		Tank ID: _____			
Contents	#	Capacity	Type	SE GPS	
CRUDE OIL	2	300 BBLS	STEEL AST	37.080664,-108.119287	
S/A/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	Inadequate	Walls Insufficient	Base Sufficient	Inadequate
Corrective Action	Maintain berm to comply with Rule 605.a.4.			Corrective Date 03/23/2015
Comment	Capacity insufficient, stormwater present, poly lines to pit.			

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Inspector Name: Hughes, Jim

Predrill

Location ID: 214922

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: 214922 Type: WELL API Number: 067-06526 Status: PR Insp. Status: EI

Environmental

Spills/Releases:

Type of Spill: OIL Description: Gathering line Estimated Spill Volume: _____

Comment: Gathering line from the west is not capped or plugged. Oil has been released onto the ground.

Corrective Action: Cap gathering line. Remove/remediate impacted material. Date: 03/23/2015

Reportable: NO GPS: Lat 37.080686 Long -108.119398

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

Inspector Name: Hughes, Jim

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 _____
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Non-Cropland

Top soil replaced _____	Recontoured _____	80% Revegetation _____
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1003 f.	Weeds Noxious weeds? _____	CA _____	CA Date _____
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
Compaction	Pass	Gravel	Pass	SR	Pass	Spill kit near tank battery.
				MHSP	Fail	Load out valve leaks.

S/A/V: **ACTION REQUIRED**Corrective Date: **04/13/2015**Comment: **Southeast corner of location has storm water run off channels incising fill slope. Secondary containment berm around tank battery has storm water present, affecting capacity.**CA: **Repair fill slope, install and maintain location BMPs. Remove storm water from secondary containment berm.****Pits:** ☐ NO SURFACE INDICATION OF PIT

Pit Type: Evaporation Lined: NO Pit ID: _____ Lat: 37.080494 Long: -108.119254

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: Livestock Fencing Condition: Adequate

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

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

Pit (S/A/V): **ACTION** Comment: **Pit is no longer in use, except as a BMP for inadequate secondary containment around tank battery. Close pit per 900 series rules.**Corrective Action: **Close pit per 900 series rules.**Date: **04/13/2015**

Attached Documents

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

Document Num	Description	URL
674900351	Crude oil spill at gathering line.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568923
674900352	Inadequate capacity of secondary containment berm.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568924
674900353	Fenced pit, SW of well head.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3568925

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)