

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:
03/30/2015

Document Number:
674601680

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

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

Operator Information:

OGCC Operator Number:	<u>10254</u>
Name of Operator:	<u>RED MESA HOLDINGS/O&G LLC</u>
Address:	<u>5619 DTC PARKWAY - STE 800</u>
City:	<u>GREENWOOD</u> State: <u>CO</u> Zip: <u>80111</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
T., Alfred	(856) 767-3000 ext. 11	atgiuliano@giulianomiller.com	Red Mesa Trustee
Labowskie, Steve		steve.labowskie@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)
03/13/2015	674900350	PR	EI	ACTION REQUIRED			No
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	200030769	ES	PR	ACTION REQUIRED			Yes
07/26/2002	200030493	CO	PR	ACTION REQUIRED		Fail	Yes
07/26/2002	200030497	CO	PR	ACTION REQUIRED		Fail	Yes
07/10/2002	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:

This well is currently shut in (Casing shut in at wellhead/ Tubing appears to be open to battery). The Actions required identified on the previous inspection doc# 674900350 performed on 03/13/2015 have not been completed.

Related Facilities:

Inspector Name: Maclaren, Joe

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	SI	<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

Emergency Contact Number (S/A/V): ACTION Corrective Date: 04/13/2015

Comment: **No response from operator when emergency contact number dialed; Voicemail only; No return phone call.**

Corrective Action: **Maintain working 24 hr operator emergency contact number; Must be able to reach operator at all times; or change well sign and update the new emergency contact information.**

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TRASH	ACTION REQUIRED	Action Required not performed; 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	Action Required not completed; Cap crude oil gathering line. Remove/remediate impacted material.	04/13/2015

Multiple Spills and Releases?

Facilities:

New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL		300 BBLS	STEEL AST	37.080664,-108.119287
S/A/V:	Comment: 2 Tanks			
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	Inadequate			Inadequate
Corrective Action	Action Required not completed; Raise walls to meet capacity requirements; maintain berms.			Corrective Date <u>04/13/2015</u>

Comment	Capacity insufficient, stormwater present, poly lines to pit.
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Venting:	
Yes/No	Comment

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

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: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____
S/A/V: _____ CA Date: _____
CA: **Last production reported November 2014 (Gas Only).**
Comment: _____

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:

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? **Fail** CM **Open (No netting) pit observed.**
CA **Close pit per 900 series rules. (CAR not completed).** CA Date **04/13/2015**
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 ? Pass

Inspector Name: Maclaren, Joe

1003c. Compacted areas have been cross ripped? _____
1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass
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? 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 _____

1003 f. Weeds Noxious weeds? _____ I _____

Comment: _____

Overall Interim Reclamation In Process

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: **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

COGCC Comments

Comment	User	Date
<p>Comments from the previous inspection doc #674900350 performed 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.</p>	maclarej	04/06/2015

Attached Documents

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

Document Num	Description	URL
674601681	Herrera #3 Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3584260

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.)