

Inspector Name: Waldron, Emily

**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:
07/20/2015Document Number:
673402259

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	222309	312771	Waldron, Emily	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10428Name of Operator: DIVERSIFIED ENERGY LLCAddress: 10940 S PARKER ROADCity: PARKER State: CO Zip: 80134

- ☒ 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
Haack, Jason	303-995-0826	jhaack@oagproduction.com	
Kellerby, Shaun		shaun.kellerby@state.co.us	
Neidel, Kris		kris.neidel@state.co.us	
Ikenouye, Teri		teri.ikenouye@state.co.us	

Compliance Summary:QtrQtr: NWSW Sec: 13 Twp: 5N Range: 96W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/27/2014	673400225	PR	PR	ACTION REQUIRED	F		No
11/19/2013	673400123	PR	PR	ACTION REQUIRED	F		No
05/10/2012	668500044	PR	TA	ALLEGED VIOLATION	I		Yes
06/27/2011	200323461	PR	SI	ACTION REQUIRED			Yes
10/03/2006	200103242	ID	SI	SATISFACTORY		Pass	No
02/22/1999	500154448	ID	SI			Pass	No

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
116613	PIT		09/23/1999		-	A.P. URIE	<input type="checkbox"/>
222309	WELL	PR	06/28/2013	OW	081-05284	A.P. URIE 1	PR <input checked="" type="checkbox"/>

Equipment:Location Inventory

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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
WELLHEAD	SATISFACTORY			
BATTERY	ACTION REQUIRED	Only sign on location at entrance. Does not contain all necessary information.	Install sign to comply with rule 210.	11/26/2013
TANK LABELS/PLACARDS	ACTION REQUIRED	Incomplete tank labels.	Install sign to comply with rule 210.	11/26/2013

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
DEBRIS	ACTION REQUIRED	Some of the debris mentioned in previous inspections still on location. Old piping, tubing, wooden slats, etc.	Keep location free from trash and debris.	12/20/2013

Spills:				
Type	Area	Volume	Corrective action	CA Date
PW/CO	Tank	<= 5 bbls	Release of E&P waste inside of containment. Breached containment, both over and under berm, (berm appears uncompacted) and traveled ~50 feet outside of berm. Oil stained soil and free standing oil in berm and outside berm at time of inspection. No operator staff present on location. No form 19 filed. Immediately file form 19 and notify COGCC environmental staff, Kris Neidel, of spill volumes and remediation efforts. Continue to properly remove and remediate spill.	07/20/2015

☐ Multiple Spills and Releases?

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____
Contents	#	Capacity	Type
CRUDE OIL	1	400 BBLS	STEEL AST
S/A/V: SATISFACTORY		Comment: _____	
Corrective Action: _____		Corrective Date: _____	

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Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

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

Corrective Action	Repair and adequately construct berm to contain any release. Berms must be constructed of sufficiently impervious material and be compacted and regularly maintained.	Corrective Date	12/03/2013
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Comment	Berm was breached during spill on bottom and through overflow.
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Venting:

Yes/No

Comment

NO

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 222309

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: 222309 Type: WELL API Number: 081-05284 Status: PR Insp. Status: PR

Producing Well

Comment: Pumping. No production reported since June 2014.

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: _____

Complaint:

Tracking Num	Category	Assigned To	Description	Incident Date
200435942	SPILLS	Waldron, Emily	Inspector received call from unknown number informing them of a spill observed on the A.P. Urie 1. Caller expressed concern for cattle grazing in area and that spill would not be properly cleaned up but rather simply covered.	07/20/2015

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

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Cropland

Top soil replaced _____

Recontoured _____

Perennial forage re-established _____

Non-Cropland

Top soil replaced _____

Recontoured _____

80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

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
				MHSP	Fail	Two gravel piles on location with no containment.

S/A/V: SATISFACTOR
Y

Corrective Date: 08/21/2015

Comment: No stormwater BMPs observed on location. Loose gravel stored with no containment BMPs. Rills developing on access road.

CA: A stormwater plan utilizing appropriate and necessary BMPs shall be installed and maintained to prevent the migration of soil on pad, access roads and interim reclamation area. BMPs shall prevent site degradation from potential spills and/or releases from stored materials and equipment.

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Release of E&P waste inside of containment. Breached containment, both over and under berm, (berm appears uncompacted) and traveled ~50 feet outside of berm. Oil stained soil and free standing oil in berm and outside berm at time of inspection. No operator staff present on location. No form 19 filed. After inspection Inspector called Jason Haack of Diversified Energy LLC and was informed that spill had occurred on 7/17/2015 and that clean-up efforts were ongoing. In addition, issues noted in the previous inspection document number 673400225 have not been addressed, production has not been reported since June of 2014 and well is currently pumping.	waldrone	07/20/2015

Attached Documents

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

Document Num	Description	URL
673402260	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3646279

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.)