

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
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Inspection Date:  
06/30/2015Document Number:  
673402215

Overall Inspection:

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

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	423729	423727	Waldron, Emily	<input type="checkbox"/>	

**Operator Information:**OGCC Operator Number: 10354Name of Operator: DAKOTA EXPLORATION LLCAddress: 8801 S. YALE AVENUE, SUITE 120City: TULSA State: OK Zip: 74137

- ☒ 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
Burn, Diana		diana.burn@state.co.us	
Collins, Paul		pcollins@dakotaexploration.com	All Inspections
Ellsworth, Stuart		stuart.ellsworth@state.co.us	
Ikenouye, Teri		teri.ikenouye@state.co.us	
Kellerby, Shaun		shaun.kellerby@state.co.us	
Reynolds, Gail		greynolds@dakotaexploration.com	

**Compliance Summary:**QtrQtr: NWNW Sec: 24 Twp: 6N Range: 81W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
09/12/2014	673401105	SI	SI	ACTION REQUIRED			No
07/24/2014	673400879	SI	SI	ACTION REQUIRED			No
04/19/2013	669300492	XX	SI	ACTION REQUIRED	F		No
02/06/2012	662300170	XX	XX	ACTION REQUIRED			No
07/25/2011	200325505	DG	DG	SATISFACTORY			No

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

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
423729	WELL	SI	11/27/2013	OW	057-06510	State 6-81-24-4	SI	<input checked="" type="checkbox"/>

**Equipment:****Location Inventory**

Inspector Name: Waldron, Emily

Special Purpose Pits: _____	Drilling Pits: <u>1</u>	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>1</u>	Separators: <u>1</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: <u>4</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

### Location

<b>Signs/Marker:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	ACTION REQUIRED	No signs anywhere on location.	Install sign to comply with rule 210.	08/25/2014
TANK LABELS/PLACARDS	ACTION REQUIRED	Incomplete tank labels.	Install sign to comply with rule 210.	08/25/2014
WELLHEAD	ACTION REQUIRED	No wellhead sign.	Install sign to comply with rule 210.	06/30/2015

Emergency Contact Number (S/A/V): ACTION Corrective Date: 08/25/2014

Comment: No contact number of any kind on location.

Corrective Action: Immediately install emergency contact information on location.

<b>Good Housekeeping:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
STORAGE OF SUPL	ACTION REQUIRED	Tubing stored at wellhead and on east side of location. Fencing on east side of location. Both fence and tubing has been stored since previous inspection.	Remove all equipment not being used for production of this lease.	08/25/2014
WEEDS	SATISFACTORY	Noxious and annual weeds on location.	Implement and maintain a weed control program.	08/25/2014

<b>Spills:</b>				
Type	Area	Volume	Corrective action	CA Date

☐ Multiple Spills and Releases?

<b>Equipment:</b>					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Flare	1	SATISFACTORY	Not lit. 40.48045, -106.44083		
Pump Jack	1	SATISFACTORY			
Bird Protectors		ACTION REQUIRED	Inspector cannot tell if exhaust stacks have wildlife protection.	Install wildlife protection or provide proof of installation to inspector via email.	08/25/2014
Vertical Heated Separator	1	SATISFACTORY	40.48022, -106.44067		
Deadman # & Marked	4	SATISFACTORY			

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<b>Facilities:</b>		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1		STEEL AST	40.480060,-106.440580
S/A/V:	SATISFACTORY		Comment:	
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	Maintain berm to be capable of containing release.	Corrective Date	08/25/2014
Comment	Berm is low.		

<b>Facilities:</b>		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2		STEEL AST	,
S/A/V:	SATISFACTORY		Comment:	
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	Maintain berm to be capable of containing release.	Corrective Date	08/25/2014
Comment	Berm is low.		

<b>Venting:</b>		
Yes/No	Comment	
NO		

<b>Flaring:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

<b><u>Predrill</u></b>				
Location ID: 423729				
<b>Site Preparation:</b>				
Lease Road Adeq.: _____		Pads: _____		Soil Stockpile: _____

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

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

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

CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

Group	User	Comment	Date
OGLA	kubeczkod	<p><b>GENERAL SITES COAs:</b></p> <p>Reserve pit must be lined or a closed loop system must be implemented during drilling.</p> <p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>Flowback and stimulation fluids must be sent to tanks before the fluids can be placed into any pipeline or pit located on the well pad. The flowback and stimulation fluid tanks must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material (per Rule 604.a.(4)).</p> <p>Berms or other containment devices shall be constructed in compliance with Rule 604.a.(4) around crude oil, condensate, and produced water storage tanks.</p> <p>The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.</p> <p>No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.</p>	05/10/2011

**S/A/V:** ACTION**Comment:**

Berm around produced water and crude oil tanks is low and needs maintenance. Perimeter berm is also low in places and needs maintenance.

**CA:** Maintain berms to comply with COGCC rules and permit specific COA's.**Date:** 08/25/2014**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: \_\_\_\_\_

Inspector Name: Waldron, Emily

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: 423729 Type: WELL API Number: 057-06510 Status: SI Insp. Status: SI

### Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: PRODUCTION RECORDS

S/A/V: ACTION

CA Date: 06/30/2015

CA: Well must be either:  
1) Per COGCC Rule 326.b.(1) a successful mechanical integrity test shall be performed on each shut-in well within two (2) years of the initial shut-in date or  
2) Be properly plugged and abandoned. Shut-in and temporarily abandoned wells must be properly reported on COGCC Form 7, Operator's Monthly Production Report.

Comment: No production reported since December 2014.

### 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: RANGELAND

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

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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? \_\_\_\_\_

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

Overall Interim Reclamation

#### **Final Reclamation/ Abandoned Location:**

Date Final Reclamation Started: \_\_\_\_\_ Date Final Reclamation Completed: \_\_\_\_\_

Final Land Use: RANGELAND \_\_\_\_\_

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: \_\_\_\_\_

Inspector Name: Waldron, Emily

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
Berms	Fail					

S/A/V: SATISFACTOR  
Y

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

Comment: Stormwater is satisfactory by default, no apparent maintenance of berms or other BMPs.

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

Pits: ☐ NO SURFACE INDICATION OF PIT

**COGCC Comments**

Comment	User	Date
Follow up to inspection from 9/12/2014 document number 673401105. No corrective actions have been made since previous inspection. Operator was asked to contact inspector with a plan for return to compliance in previous inspection. Inspector has not received any communication from operator.	waldrone	06/30/2015

**Attached Documents**

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

Document Num	Description	URL
673402221	Inspection Photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650109">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3650109</a>

## **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.)