



STATE OF COLORADO

EnviroScan - DNR, OGCC <dnr\_ogcc.enviroscan@state.co.us>

Fwd: Red Mesa J C K #1, API # 05-067-05765

1 message

Fischer - DNR, Alex <alex.fischer@state.co.us>
To: OGCC EnviroScan - DNR <dnr\_ogcc.enviroscan@state.co.us>
Cc: Jim Hughes - DNR <jimo.hughes@state.co.us>

Mon, Aug 17, 2015 at 9:17 AM

Please upload this email attachment as one PDF with the following information:

Unique identifier (REM/Spill/NOAV #, etc.): Location ID: 325230 and API 067-05765
Document number (leave blank if one needs to be assigned):
Date received: August 17, 2015
Is data entry needed (Y/N): N
Notes: August 17, 2015 COGCC email to Red Mesa Trustee Requiring Action

Thanks!

Alex Fischer, P.G.

Environmental Supervisor, Western Colorado



COLORADO
Oil & Gas Conservation Commission
Department of Natural Resources

P 303.894.2100 x5138 | F 303.894.2109

1120 Lincoln Street, Suite 801, Denver, CO 80203

|alex.fischer@state.co.us www.colorado.gov/cogcc

----- Forwarded message -----

From: Fischer - DNR, Alex <alex.fischer@state.co.us>
Date: Mon, Aug 17, 2015 at 9:15 AM
Subject: Red Mesa J C K #1, API # 05-067-05765
To: "Alfred T. Giuliano, CPA, CIRA, CFE, CDBV" <atgiuliano@giulianomiller.com>,
REdwards@giulianomiller.com, dcarickhoff@archerlaw.com
Cc: Jeremy Ferrin - DNR <jeremy.ferrin@state.co.us>, Jim Hughes - DNR <jimo.hughes@state.co.us>, Joe Maclaren - DNR <joe.maclaren@state.co.us>, Steve Labowskie - DNR <steve.labowskie@state.co.us>, Mike

Leonard - DNR <[mike.leonard@state.co.us](mailto:mike.leonard@state.co.us)>

Gentlemen,

It was reported on March 13, 2015 by the Colorado Oil and Gas Conservation Commission (COGCC) staff, that there is an open excavation where a flow line was repaired. At that time, oil was noted on the fluids in the bottom of the excavation and the corrective actions were to remove impacted material. A recent (August 12, 2015) inspection by COGCC staff indicated the excavation still present with storm water accumulating in the excavation with free phase hydrocarbons on the fluid surface. Additionally, it appears that the walls of the excavation have collapsed undermining the steel secondary containment wall. The undermining may potentially cause failure of the secondary containment.

Immediate actions are required to:

remove impacted fluid and material;  
backfill excavation and stabilize the secondary containment; and  
address storm water controls on location.

Please contact me to discuss.

Thanks  
Alex





**Alex Fischer, P.G.**

**Environmental Supervisor, Western Colorado**



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 **INSP Red Mesa 674602196.pdf**  
117K

**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:  
08/12/2015

Document Number:  
674602196

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>214362</u>	<u>325230</u>	<u>Maclaren, Joe</u>	<input type="checkbox"/>	

**Operator Information:**

OGCC Operator Number:	<u>10254</u>
Name of Operator:	<u>RED MESA HOLDINGS/O&amp;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
Edwards, Robert	609-841-4756	REdwards@giulianomiller.com	Giuliano Miller & Company, LLC

**Compliance Summary:**

QtrQtr: <u>SWSW</u>		Sec: <u>23</u>		Twp: <u>33N</u>		Range: <u>12W</u>	
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
04/15/2015	674601776	PR	SI	ACTION REQUIRED			No
03/30/2015	674601673	PR	SI	ACTION REQUIRED	I		No
03/30/2015	668402716	PR	PR	ACTION REQUIRED			No
03/13/2015	674900363	PR	EI	ACTION REQUIRED			No
09/16/2013	663401194	PR	PR	ACTION REQUIRED	I		No
08/17/2009	200216910	PR	PR	SATISFACTORY			No
01/04/2008	200124391	PR	PR	ACTION REQUIRED			Yes
12/04/2007	200123255	PR	PR	SATISFACTORY			Yes
09/05/2007	200121392	PR	PR	ACTION REQUIRED			Yes
09/05/2007	200121332	PR	PR	ACTION REQUIRED			Yes
05/22/2007	200112657	PR	PR	ACTION REQUIRED		Fail	Yes
11/22/2002	200032801	ES	PR	SATISFACTORY		Pass	No
11/20/2002	200032347	ES	PR	SATISFACTORY		Pass	No
09/24/2002	200030777	CO	PR	ACTION REQUIRED			Yes
07/26/2002	200030823	ES	PR	SATISFACTORY		Pass	No
07/26/2002	200030496	CO	PR	ACTION REQUIRED		Fail	Yes
07/26/2002	200030765	ES	PR	ACTION REQUIRED			
07/10/2002	200030815	PR	PR	SATISFACTORY		Pass	No
05/16/2002	200028067	CO	PR	SATISFACTORY		Fail	Yes

Inspector Name: Maclaren, Joe

01/11/2002	200030812	CO	PR	ACTION REQUIRED		Fail	Yes
08/12/1997	500147262	PR	PR			Pass	No
06/12/1996	500147261	PR	PR			Pass	No
08/10/1995	500147260	PR	PR				Yes

**Inspector Comment:**

The Actions Required outlined on the previous field inspection doc #674601776 performed on 04/15/2015 have not been completed. There is no evidence of recent activity at this location. The open excvaton/ pipeline repair area on the SW side of the tank battery is accumulating stormwater. Work was completed while on location to slow down additional stormwater accumulations in this excavation (also contains free crude oil). Photo's uploaded.

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
214362	WELL	PR	08/31/2007	OW	067-05765	J C K 1	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): \_\_\_\_\_ Corrective Date: \_\_\_\_\_

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

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

**Spills:**

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

**Venting:**

Yes/No	Comment

**Flaring:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 214362

**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: 214362 Type: WELL API Number: 067-05765 Status: PR Insp. Status: SI

**Idle Well**

Purpose:  Shut In  Temporarily Abandoned Reminder: \_\_\_\_\_

S/A/V: \_\_\_\_\_ CA Date: \_\_\_\_\_

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

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? \_\_\_\_\_ 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 \_\_\_\_\_

Inspector Name: Maclaren, Joe

**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

S/A/V: \_\_\_\_\_ Corrective Date: \_\_\_\_\_

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

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

**Pits:**  NO SURFACE INDICATION OF PIT

**Attached Documents**

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

Document Num	Description	URL
674602196	INSPECTION APPROVED	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3662327">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3662327</a>
674602212	Stormwater entering open excavation	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3662324">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3662324</a>
674602213	Stormwater/ crude oil accumulations	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3662325">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3662325</a>
674602214	Excavation with repairs completed	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3662326">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3662326</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.)