

**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

Inspection Date:

08/24/2016

Document Number:

674901273

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	214032	325111	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
Fischer, Alex		alex.fischer@state.co.us	
Edwards, Robert	609-841-4756	REdwards@giulianomiller.com	Giuliano Miller & Company, LLC
Giuliano, Alfred	856-767-3000	atgiuliano@giulianomiller.com	Trustee (All Inspections)

Compliance Summary:QtrQtr: SESE Sec: 22 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)
06/22/2015	674602009	PR	SI	ACTION REQUIRED			No
04/15/2015	674601773	PR	SI	ACTION REQUIRED			No
04/01/2015	674601737	PR	SI	ACTION REQUIRED	In Process		No
03/31/2015	668402714	PR	PR	ACTION REQUIRED			No
01/29/2015	667700541	PR	SI	ACTION REQUIRED	In Process		No
10/15/2013	663401279	SI	SI	SATISFACTORY	In Process		No
01/24/2008	200126832	PR	PR	SATISFACTORY			No
10/27/1997	500146604	ES	PR			Pass	No
08/12/1997	500146600	PR	PR			Pass	No
06/12/1996	500146599	PR	PR			Pass	No
08/15/1995	500146598	PR	PR				No

Inspector Comment:

On August 24, 2016 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Red Mesa Holdings LLC Sanchez #4. For the most recent field inspection report of this facility, please refer to document # 674602009. Overall inspection status shall remain the same as that document until all corrective actions have been completed.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
214032	WELL	PR	02/28/2014	GW	067-05321	SANCHEZ 4	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	ACTION REQUIRED	No well sign on location. Corrective action date from inspection document #674601737.	Install sign to comply with rule 210.	04/13/2015

Emergency Contact Number (S/AR): ACTION

Corrective Date: 04/13/2015

Comment: "No operator response when emergency contact number dialed; Voicemail only; No return phone call." Comment and corrective action date from inspection document #674601737.

Corrective Action: Install sign to comply with Rule 210.b.

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	<= 1 bbl	Remove or remediate stained soils at the horizontal tank load out valve.	09/29/2016

☐ Multiple Spills and Releases?

Equipment:

Type: Deadman # & Marked	# 4	Satisfactory/Action Required: SATISFACTORY
Comment		
Corrective Action	Date:	

Tanks and Berms:

☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	1		STEEL AST	37.084112,-108.130954
S/AR	ACTION REQUIRED	Comment:	Impacted material near load out valve. Terra Exploration and Production Co. label on tank. No capacity labeled.	
Corrective Action:	Remove/remediate impacted material from near load out valve. Install current operation information on tank. Install sign to comply with Rule 210.d.			Corrective Date: 09/29/2016

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Inspector Name: Hughes, Jim

Other (Type) _____

Berms

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

Corrective Action	Repair or install berms or other secondary containment devices per Rule 906.d.(1).	Corrective Date	09/29/2016
Comment	Impacted material within secondary containment berm. Insufficient capacity.		

Venting:

Yes/No	
Comment	

Flaring:

Type		Satisfactory/Action Required	
Comment:			
Corrective Action:		Correct Action Date:	

Inspector Name: Hughes, Jim

Predrill

Location ID: 214032

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

Corrective Action: _____

Date: _____

CDP Num.: _____

Form 2A COAs:

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

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: 214032 Type: WELL API Number: 067-05321 Status: PR Insp. Status: EI

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:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Inspector Name: Hughes, Jim

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. Waste and Debris removed? _____

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 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:

Inspector Name: Hughes, Jim

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	Fail					
Berms	Fail	Compaction	Pass			

S/A/V: **ACTION REQUIRED** Corrective Date: **09/29/2016**

Comment: **Location and fill slope have erosional channels present.**

CA: **Install or repair required BMPs per Rule 1002.f. Refer to the 1002.f guidance document for further details.**

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>On August 24, 2016 COGCC SW EPS Jim Hughes conducted an environmental field inspection of the Red Mesa Holdings LLC Sanchez #4. For the most recent field inspection report of this facility, please refer to document # 674602009. Overall inspection status shall remain the same as that document until all corrective actions have been completed. The pump jack on this location has been dismantled. There is no prime mover present. There is impacted material near the load out valve for the horizontal tank, also near the well head.</p> <p>Storm water BMPs need to be installed and properly maintained to stop and control sediment discharge and erosion.</p> <p>The horizontal tank labeled crude oil does not have capacity listed. The operator label is a past operator. The earthen secondary containment berm does not have sufficient capacity to contain a release.</p>	hughesj	08/29/2016

Attached Documents

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

Document Num	Description	URL
674901273	INSPECTION APPROVED	http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3939431
674901274	Erosional channels present on location.	http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3939428

Inspector Name: Hughes, Jim

674901275	Erosion occurring in SW corner of location.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3939429
674901276	Insufficient secondary containment.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3939430