

**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:

08/22/2016

Document Number:

685301199

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	214032	325111	St John, William (Cal)	<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
Edwards, Robert	609-841-4756	REdwards@giulianomiller.com	All Red Mesa Holdings Inspections
Labowskie, Steve		steve.labowskie@state.co.us	COGCC
T., Alfred	856-767-3000	atgiuliano@giulianomiller.com	All Red Mesa Holdings Inspections
Hughes, Jim		jimo.hughes@state.co.us	

Compliance Summary:

QtrQtr: <u>SESE</u>	Sec: <u>22</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)
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:

Field inspection conducted to determine current status of location and production equipment. Inspection does not remove requirement to complete any open corrective action requirements from previous inspections. Review report in its entirety for observed issues and comments. See link at end of report for path to downloadable pictures.

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	TA	<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	ACTION REQUIRED	Lease road is covered in vegetation and several large erosion channels have cut into road surface. Road is currently passable with 2 WD vehicle but will require maintenance.	Maintain and repair road to comply with Rule 604.c.(2).S.	09/01/2016

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	ACTION REQUIRED	NFPA label is currently the only tank labeling.	Install sign to comply with rule 210.	09/01/2016
WELLHEAD	ACTION REQUIRED	Currently no sign present at wellhead.	Install sign to comply with rule 210.	09/01/2016

Emergency Contact Number (S/AR): ACTIONCorrective Date: 09/01/2016Comment: No emergency contact information at wellhead or location.Corrective Action: Install sign to comply with Rule 210.b**Good Housekeeping:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	ACTION REQUIRED	Patches of stained soil at wellhead and pump jack.	Clean up and remediate soil to comply with Rule 906.a	09/01/2016
WEEDS	ACTION REQUIRED	Weeds are growing in and around production equipment and perimeter of location. Weeds are really taking hold in sediment deposits in S perimeter of location.	Remove weeds and establish weed control program to comply with Rule 603.f using the Rule 603.f guidance document for further details.	09/01/2016

TRASH	ACTION REQUIRED	Steel cable pieces and other drilling/production related trash scattered around location.	Clean up and properly dispose of trash to comply with Rule 603.f using the Rule 603.f guidance document for further details.	09/01/2016
UNUSED EQUIPMENT	ACTION REQUIRED	Horse head for pump jack, safety barrier, and disconnected pipe laying on the ground at wellhead.	Use or remove unused equipment to comply with Rule 603.f using the Rule 603.f guidance document for further details.	09/01/2016

Spills:

Type	Area	Volume	Corrective action	CA Date
Crude Oil	Tank	<= 1 bbl	Repair tank valve. Clean up and remediate soil per Rule 906.a. Contact COGCC EPS staff.	09/01/2016

☐ Multiple Spills and Releases?
Fencing/:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
PUMP JACK	ACTION REQUIRED	Safety barrier around pump jack is partially disassembled and is not secure.	Repair and ensure good mechanical condition to comply with Rule 605.d	09/01/2016

Equipment:

Type: Flow Line	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment			
Corrective Action			Date:
Type: Ancillary equipment	# 1	Satisfactory/Action Required:	ACTION REQUIRED
Comment	Wellhead - Wellhead is leaking gas around flange.		
Corrective Action	Repair wellhead securely fasten all valves, pipes, and fittings to ensure good mechanical condition per Rule 605.d.		Date: 9/1/2016
Type: Deadman # & Marked	# 4	Satisfactory/Action Required:	SATISFACTORY
Comment			
Corrective Action			Date:
Type: Prime Mover	# 0	Satisfactory/Action Required:	SATISFACTORY
Comment	Prime mover has been removed.		
Corrective Action			Date:
Type: Pump Jack	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment	Horsehead has been removed and is located beside pump jack.		
Corrective Action			Date:
Type: Other	# 5	Satisfactory/Action Required:	SATISFACTORY
Comment	Risers - Three with valves and two without.		
Corrective Action			Date:

Tanks and Berms:
☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
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Inspector Name: St John, William (Cal)

CRUDE OIL	1	OTHER	STEEL AST		
S/AR	ACTION REQUIRED		Comment: Load out valve is broken off of nipple. Tank is currently disconnected from wellhead. Thief hatch does not latch closed. Open ended pipe on the top of tank.		
Corrective Action:		Repair valve and open line on tank to comply with Rule 605.d. Repair thief hatch to comply with Rule 605.a.(9).			Corrective Date: 09/01/2016
Paint					
Condition	Adequate				
Other (Content)					
Other (Capacity)	UNKOWN				
Other (Type)					
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate	Walls Insufficient	Base Sufficient	Inadequate	
Corrective Action	Remove weeds and repair berms to comply with Rule 605.a.(4).			Corrective Date	09/01/2016
Comment	Weeds growing on containment berms.				
Venting:					
Yes/No	NO				
Comment					
Flaring:					
Type		Satisfactory/Action Required			
Comment:					
Corrective Action:				Correct Action Date:	

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: TA

Idle WellPurpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____

S/A/V: _____

CA Date: 09/01/2016

CA: Contact COGCC engineering staff for directives to comply with Rule 326.

Comment: Pump jack is present but disconnected with horsehead and prime mover removed. Last reported production was May 2014. No MIT in well file.

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: _____	
<u>Water Well:</u>			
DWR Receipt Num: _____	Owner Name: _____	GPS : _____	Lat _____ Long _____
<u>Field Parameters:</u>			
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	
<u>Cropland</u>	
Top soil replaced _____	Recontoured _____ Perennial forage re-established _____
<u>Non-Cropland</u>	

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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 <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
		Gravel	Fail			
Compaction	Fail	Compaction	Fail	Material Handling And Spill Prevention	Fail	

S/A/V: ACTION REQUIRED	Corrective Date: 09/01/2016
Comment: Erosion channels cross location and flow into wash on S side of location. Lease road has erosion channels cutting into road surface. Erosion channels cut into the slope coming off of location and lease road.	
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
Based on review of previous inspections no corrective action work has been performed on location. Location is continuing to deteriorate from lack off normal day to day preventative maintenance.	stjohnw	08/22/2016

Attached Documents

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

Document Num	Description	URL
685301199	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3941646
685301239	Stained soil	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3941592

685301240	Leak at wellhead and stained soil back ground	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3941593
685301241	Release at tank loadout	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3941594
685301242	Errosion channel coming off location into drainage	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3941595
685301243	Erosion channels along location and access road slope	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3941596