

On November 1, 2016 COGCC Environmental Staff (Alex Fischer) and Field Operations Staff (Mike Leonard) conducted a inspection of CM Productions LLC, Lone Pine Field including: APIs 057-06009, 057-06011, 057-06062, 057-06069, 057-06021, 057-06273, 057-06047, 057-06116, and the Production Facility area. Alex Fischer conducted an Environmental inspection of the Pit Complex Facility (Location ID: 324634, Pit Facility IDs 112265, 112266, 112267, 112268, 112269, and 115241). Field Inspection Unit Supervisor (Shaun Kellerby) was on Location with Jim and Jaime Dschaak (Dschaak Trucking, LLC.) to assess conditions that need to be addressed prior to winter. The gates at both entrances were locked with locks provided by the COGCC. Weather was sunny, and temps approximately 25 degrees at time of Inspection. The Facility and Field are SI at this time. *For the most recent **Environmental Field Inspection Report** of this facility, please refer to document # 677900206. The overall inspection status shall remain the same as previous documents until all corrective actions have been completed.* The following is a summary:

- API 057-06009 – Well is SI, verified pressure on tubing, not leaking.
- API 057-06011 – Well is SI, absorbent boom wrapped around the well head, leaking around electrical armor and seal, an approximate 35-gallon metal sump with fluids.
- API 057-06062 – Well is SI, bull plug removed, taped with Teflon, and replaced. Leak stopped.
- API 057-06069 - Well is SI, absorbent boom wrapped around the well head, electrical armor around conduit damaged, an approximate 35-gallon metal sump with fluids.
- API 057-06021 – Noffsinger Lease, Well is SI, no pressure on treater, treater may have 60 bbls max fluids, two (2) 400 bbl tanks appear to be empty.
- API- 057-06273 – Well near pulling unit, well is SI, 300 bbl tank is full of fluids.
- API 057-06047 – Margaret Spaulding 4-B, UIC well. 550 psi on an approximate 150 psi valve.
- API 057-06116 – Entrada 1-28, UIC well, no pressure when valves were opened.
- Unused equipment south of the Margaret Spaulding #14, API 05-057-06108.
- Stock pile of E&P waste (treated soil) immediately west of pits is bermed and berm is maintained to prevent runoff across lease road and Location.
- UIC well is not on line or hooked up. Electricity to the field disconnected.
- All Pit Facilities are secured within fenced areas.
- Pit Facility 115241- Dry with vegetation growing in pit bottom. Soil from on top of pit embankment falling into pit. Pit not netted.
- Pit Facility 112265-Fluid level app 8 feet below top of berm between Pit Facility 112265 and Pit Facility 112266. Approximately 10% of fluid surface is covered with hydrocarbons and sheen. Approximately 5' of oily material exposed on the pit banks. Pit netted and in disrepair.
- Pit Facility 112266- Fluid level app 15 feet below top of berm between Pit Facility 112265 and Pit Facility 112266. Approximately 80% of fluid surface is covered with hydrocarbons. Approximately 12-13' of oily material exposed on the pit banks. Oily boom on NW corner of pit bank. Pit not netted.
- Pit Facility 112267- Fluid level app 15 feet below top of south berm, covering an app 50' x 30' area. 50% of fluid surface is covered with hydrocarbons. Approximately 12-13' of oily material exposed on the pit banks. Oily boom in pit on west side, tumble weeds in pit. Pit not netted.
- Pit Facility 112268- Fluid level app 20 feet below top of berm between Pit Facility 112268 and Pit Facility 112269 covering an area app 40' in diameter. 80% of fluid surface is covered with hydrocarbons. Approximately 15-20' of oily material exposed on the pit banks. Pit not netted.
- Pit Facility 112269- No fluid present. Approximately 20-25' of oily material exposed on the pit banks. Pit not netted.
- Landfarm- approximately 2.5' to 3' of material leveled. Appears that the material has been worked. Hay/straw has been worked into the material. **No change from Inspection Document # 677900206.**
- Berms to prevent surface flow across Location appear to be adequate.
- Stockpile west of Pit Facility 115241 has been removed and leveled. **No change from Inspection Document # 677900206.**
- An App 20' dia X 5' high liner material on Location from Pit Facility 115241 is present. **No change from Inspection Document # 677900206.**

- Transformer/Electric panels enclosed with an approximate 20' by 30' hog panel fence. **Electric meter has been removed. No change from Inspection Document # 677900206.**
- Injection pump not mechanically connected.
- Tank #1: 400 bbl PW plumbed with marking (Injection Bypass, Drain, Treater Water Dump, Gas Bubbler, Oil Skim). Valves appear to be in SI position. By tapping on tank wall, tank appears to be empty. Tank labeled but not placard.
- Tank #6: 400 bbl PW plumbed with app 6-inch line going subgrade. Valves appear to be in SI position. By tapping on tank wall, tank appears to be empty. Tank labeled but not placard.
- Tank #5: (6503) 400 bbl Oil plumbed and valve open to Tank #4. By tapping on tank wall, tank appears to be empty.
- Tank #4: 400 bbl PW plumbed and valve open to Tank #3. By tapping on tank wall, tank appears to be empty.
- Tank #3: 400 bbl PW plumbed and valve open to Tank #2. By tapping on tank wall, tank appears to be empty.
- Tank #2: 400 bbl PW plumbed and valve open to Tank #3. By tapping on tank wall, tank appears to be empty.
- Three (3) 400 bbl tanks near facility building have open hatches at base of tanks within inside of building. They appear to be connected all have valves SI and locked out.
- Tank #7: 400 bbl bottom entry hatch open.
- Tank #8: 400 bbl bottom entry hatch open.
- Tanks 6499 and 6500 plumbed to load out areas with 6501 plumbed subgrade. Contents of 6499 (app 40 bbls of fluid), 6500 (app 30 bbls of fluid), and 6501 (app 400 bbls of fluid) unknown all with valves in SI position.
- Five (5) 300-gal totes stored within a secondary containment area with secure lids. Two are full of fluid and one has app 6-8-inches of fluid present the others empty.
- Facility Building: Equipment, supplies, 5-gallon pails (some with oil), oily stained soil throughout the facility building.
- Spring Gulch flowing.
- Equipment and supplies throughout the Location.
- Office building was secured with COGCC lock.

Storage Area North of Pits and East of Office Building

- Pallet with fire bricks.
- Catwalk and ladder.
- (2) 55-gal empty containers. One labeled "antifreeze" the other labeled "15W40 oil."
- (1) 55-gal container (red) on side with fluids present.
- (2) 5-gal empty plastic pails.
- (1) 5-gal empty gas can
- (1) 2.5 gal empty chemical sprayer.
- (1) 55-gal container (blue) with fluids present.
- (1) 55-gal container (black) with fluids present.
- Hoses, boards, and fittings.

Injection Pump Area

- (1) 55-gal container (blue) with fluids present labeled "Low Ash E Oil" and "Chevron."
- Electrical wire and panels.
- Various pumps, spools with conduit, pipe trailer, flat bed trailer with generator, oil skimmer, pipe racks, (2) Honeywell generators, electrical motors and pump(s), metal pipe, spools of plastic tubing, and fencing. **The racks of tubing and rods present at the time of Inspection Document # 677900156 had been relocated to the barn/garage area.**

Office Area

- (5) 5-gallon pails contents unknown, propane cylinder, hoses and fittings.
- (2) port o toilets.

Shed near Production Facility

- Approximately (12) 5-gal pails, contents unknown.
- Roles of yellow plastic tubing.

Shed/Garage Area near Entrance to the Field

- Tubing and rods previously located at storage area north of the Injection Pump Area have been relocated to the shed/garage area.
- Injection pump motor previously located at the Injection Pump Area has been relocated to the shed/garage area.
- The contents inside of the shed/garage (wooden pallets, pipes, (2) propane cylinders, trash, chemical totes, fittings, insulation, chains, burn barrel with used oil filters) have been removed. There are pallets and approximately (8) tires are present outside of the shed/garage near the north east corner.