

**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

Inspection Date:

09/17/2012

Document Number:

669400121

Overall Inspection:

Satisfactory**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: LABOWSKIE, STEVE
	420945	420943		

Operator Information:OGCC Operator Number: 8725 Name of Operator: BLACK RESOURCES, INCAddress: 320 MUSTANG TRAILCity: GRANBURY State: TX Zip: 76049**Contact Information:**

Contact Name	Phone	Email	Comment
LEONARD, MIKE		mike.leonard@state.co.us	
Black, Bill		blackmustang.biz@gmail.com	
RAMOS, MARTHA		martha.ramos@state.co.us	

Compliance Summary:QtrQtr: NWSW Sec: 33 Twp: 38N Range: 16W**Inspector Comment:**

Abandoned location inspection for bond release, no evidence of construction, ok to release.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
420945	WELL	AL	02/28/2012		083-06692	STATE 12H-33-38-16	<input checked="" type="checkbox"/>

Equipment:Location Inventory

Special Purpose Pits: <u> </u>	Drilling Pits: <u>1</u>	Wells: <u>1</u>	Production Pits: <u> </u>
Condensate Tanks: <u>2</u>	Water Tanks: <u>1</u>	Separators: <u>1</u>	Electric Motors: <u>1</u>
Gas or Diesel Mortors: <u> </u>	Cavity Pumps: <u> </u>	LACT Unit: <u> </u>	Pump Jacks: <u> </u>
Electric Generators: <u> </u>	Gas Pipeline: <u>1</u>	Oil Pipeline: <u> </u>	Water Pipeline: <u> </u>
Gas Compressors: <u> </u>	VOC Combustor: <u> </u>	Oil Tanks: <u> </u>	Dehydrator Units: <u> </u>
Multi-Well Pits: <u> </u>	Pigging Station: <u> </u>	Flare: <u> </u>	Fuel Tanks: <u> </u>

LocationEmergency Contact Number: (S/U/V) Corrective Date: Comment: Corrective Action: **Spills:**

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?

Venting:		
Yes/No	Comment	

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 420943

Site Preparation:

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

Corrective Action: _____

Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkod	The completion/flowback pit must be fenced. If the completion/flowback pit is not closed (either drained and/or backfilled) immediately after well completion, then operator must appropriately net the completion/flowback pit, in a timely manner, and maintain both the fencing and netting until the pit is closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.	12/08/2010
OGLA	kubeczkod	If the reserve pit is used for storage of fracing flowback water or produce water during and/or after completion, then the reserve pit must be lined in accordance with Rule 904. Pit Lining Requirements and Specifications. Otherwise, the following COA will apply: COA 25 - Flowback to tanks only. Flowback and stimulation fluids shall be contained within tanks that are placed on the well pad in an area with additional downgradient perimeter berming.	12/08/2010
OGLA	kubeczkod	Operator must implement best management practices to contain any unintentional release of fluids; including any fluids conveyed by temporary surface pipeline.	11/12/2010
Permit	vigilj	The height of derrick to drill the subject well will not be greater than 2/3rds of 166 feet, 111 feet. Per Operator the Rig proposed to drill the subject well has a derrick height of 110'.	11/19/2010
OGLA	kubeczkod	Location is in a sensitive area because of the potential for shallow groundwater; therefore either a lined drilling pit or a closed loop system must be implemented.	11/12/2010
OGLA	kubeczkod	Location is in a sensitive area because of the potential for shallow groundwater; therefore production pits (including frac water flowback pits and produce water pits) must be lined.	11/12/2010
OGLA	kubeczkod	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.	11/12/2010

OGLA	kubeczkod	Location is in a sensitive area because of its proximity to surface water; therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; potential option include, but are not limited to: construction of a berm or diversion dike (either around the entire well pad, portions of the well pad, or around specific vessels and/or structures); diversion/collection trenches within and/or outside of berms/dikes; site grading; or other comparable measures (i.e., BMPs associated with stormwater management) sufficiently protective of nearby surface water.	11/12/2010
OGLA	kubeczkod	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.	11/12/2010

Comment:**CA:****Date:****Wildlife BMPs:**

BMP Type	Comment
Wildlife	The large cottonwood located north of the 16H pad and southeast of the 12H has a dilapidated raptor nest in it. It is unknown at this time if/which species of raptor may try and rebuild/occupy the nest. Most species of raptors are protected by the Federal Migratory Bird Treaty Act (MBTA). I believe that Jon Holst provided you with CDOW's recommended spatial and temporal buffers for raptors in Colorado via e-mail after the onsite last spring, but let me know if you need another copy. Both of the wells are within approximately 900ft of this historic nest location. 900ft is well inside most of the spatial buffers recommended for raptors. Given the unknown status of the nest, the CDOW would suggest monitoring the nest, and if it is occupied prior to the commencement of construction activities then we recommend contacting the USFWS for advice on avoiding mortality or nest abandonment. Please note that CDOW's recommended survey protocols and buffers do not constitute a release of liability from the MBTA with the USFWS.

<p>PROPOSED BMPs</p>	<p>WILDLIFE BEST MANAGEMENT</p> <p>GENERAL WILDLIFE AND ENVIRONMENTAL PROTECTION MEASURES,</p> <ul style="list-style-type: none"> - Establish policies to protect wildlife leg, no poaching, no firearms, no dogs on location, no feeding of wildlife, etc) - Promptly report spills that affect wildlife to the Water Quality Control Division of CDPHE and CROW -Avoid locating staging, refueling, and storage areas within 300 feet of any reservoir, lake,wetland, or natural perennial or seasonally flowing stream or river <p>INFRASTRUCTURE LAYOUT WILDLIFE PROTECTION MEASURES</p> <ul style="list-style-type: none"> - Implement fugitive dust control measures -Limit parking to disturbed areas <p>DRILLING AND PRODUCTION OPERATIONS WILDLIFE PROTECTION MEASURES</p> <ul style="list-style-type: none"> - Reduce visits to well -sites through remote monitoring (i e SCADA) and the use of multifunction contractors - Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings - Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads <p>FLUID PITIPOND WILDLIFE PROTECTION MEASURES</p> <ul style="list-style-type: none"> - Install and maintain adequate measures to exclude ail types of wildlife (e g, big game and birds) from all fluid pits/ponds with fencing, flagging and other appropriate exclusion measures) <p>Black Resources, Inc will install a 6' or higher wildlife proof fence on all freshwater ponds</p> <p>INVASIVEINOWNATIVE VEGETATION CONTROL</p> <ul style="list-style-type: none"> - Educate employees and contractors about noxious and invasive weed issues <p>RESTORATION, RECLAMATION AND ABANDONMENT</p> <ul style="list-style-type: none"> -Avoid aggressive non - native grasses and shrubs in mule deer and elk habitat restoration - Revegetate with seed mixtures that are of the surface owner's preference that are compatible with both livestock and wildlife
<p>Wildlife</p>	<p>CDOW would like Black Resources to use the wildlife friendly seed mix at both of the locations: Ecotype: Pinyon/Juniper Woodlands-Sagebrush (See Attachments - Proposed BMPs).</p>

Wildlife	<p>Pursuant to COGCC Rule 902.d., CDOW would like the wildlife exclusionary fencing and netting on the reserve pit. The CDOW concern would be access to free liquids in pits by wildlife (big game, birds, bats, ect). If the liquids are promptly removed after drilling and completion activities, then the concern is largely eliminated. If not, then fencing and netting should exclude access by wildlife to the liquids in the reserve pit once drilling is completed. It is my understanding that the COGCC is currently working on design standards and time frames for installing fencing and netting on pits. The CDOW is less concerned with freshwater ponds, provided that the water is of sufficient quality not to pose as health risk to wildlife (big game, birds, bats, ect), and that proper egress is from the pond will keep animals from being trapped in the pond.</p>
PROPOSED BMPs	<p>STORM WATER BEST MANAGEMENT PRACTICES</p> <p>BLACK RESOURCES, INC</p> <p>GENERAL BMPS</p> <ul style="list-style-type: none"> • Utilize diking and other forms of containment and diversions around tanks, drums, drums, drums, liquids, pits and impoundments • Use drip pans, sumps, or liners where appropriate- • Limit the amount of land disturbed during construction of pad, access road, and facilities. <p>*Employ spill response plan for all facilities</p> <ul style="list-style-type: none"> • Dispose properly of any wastes, fluids and other materials <p>MATERIAL HANDLING ACTIVITIES, PRACTICES AND STORM WATER DIVERSION</p> <p>*Secondary containment of tanks, drums, and storage areas is mandatory to prohibit discharges to surface waters. A minimum of 110% capacity required of largest storage within containment area</p> <p>*Material handling and spill prevention procedures and practices will be followed to prohibit discharges to surface waters</p> <p>*Proper loading, unloading and transportation procedures to be followed for all materials to and from location</p> <p>EROSION CONTROL</p> <ul style="list-style-type: none"> • Pad and access road to be designed to minimize erosion. • Pad and access road to implement appropriate erosion control devices where necessary to minimize erosion • Routine inspections of sites and controls to be implemented with additions, repass, and optimization to occur as necessary to minimize erosion <p>SELF INSPECTION MAINTENANCE AND HOUSEKEEPING</p> <ul style="list-style-type: none"> • All employees are trained in spill response, good housekeeping, material management practices, and procedures for equipment and container washing at least once per year • Conduct internal storm water inspections at least semi-annually and within 24 hours of a heavy rain event

- Conduct routine inspections of all tanks and storage facilities at least weekly
- All containment areas are to be inspected weekly or following a heavy rain event Any excessive precipitation accumulation within containment should be removed and disposed of properly
- All structural berms, dikes, and containment will be inspected periodically to ensure they are operating correctly
- Minimum of an annual storm water BMP inspection and outcome report documenting status, including repairs

SPILL RESPONSE

Follow spill response procedures

If spill occurs

- Safely stop the source of the spill immediately
- Contain the spill until clean-up is complete.
- Cover spill with appropriate absorbent material
- Keep the area well ventilated
- Dispose of clean -up materials properly
- Do not use emulsifier or dispersant

VEHICLE & LOCATION PROCEDURES

- Vehicles entering location are to be free of chemical, oil, mud, weeds, trash, and debris
- Location to be treated to kill weeds and bladed when necessary

Comment:**CA:****Date:****Stormwater:**

Erosion BMPs	Present	Other BMPs	Present

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: _____

Other BMPs: _____

Comment:**Staking:****On Site Inspection (305):**Surface Owner Contact Information:

Name: _____

Address: _____

Phone Number: _____

Cell Phone: _____

Operator Rep. Contact Information:

Inspector Name: LABOWSKIE, STEVE

Landman Name: _____	Phone Number: _____
Date Onsite Request Received: _____	Date of Rule 306 Consultation: _____
Request LGD Attendance: _____	
<u>LGD Contact Information:</u>	
Name: _____	Phone Number: _____ Agreed to Attend: _____
<u>Summary of Landowner Issues:</u>	
<u>Summary of Operator Response to Landowner Issues:</u>	
<u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u>	

Facility

Facility ID: 420945 Type: WELL API Number: 083-06692 Status: AL Insp. Status: AL

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: _____
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 REVEGETATIONCropland

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 Pass

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: no evidenc of construction, farm buildings and stock area, grazed rangeland.

Corrective Action: _____ Date _____

Overall Final Reclamation Pass Multi-Well Location ☐

Inspector Name: LABOWSKIE, STEVE

Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
S/U/V: _____ Corrective Date: _____						
Comment: _____						
CA: _____						

COGCC Comments		
Comment	User	Date
location or access never built, ok to release.	labowsks	09/19/2012