

**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:
09/02/2015Document Number:
673402427

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	222309	312771	Waldron, Emily	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10428Name of Operator: DIVERSIFIED ENERGY LLCAddress: 10940 S PARKER ROADCity: PARKER State: CO Zip: 80134

- ☒ 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
Haack, Jason	303-995-0826	jhaack@oagproduction.com	
Neidel, Kris		kris.neidel@state.co.us	
Kellerby, Shaun		shaun.kellerby@state.co.us	

Compliance Summary:QtrQtr: NWSW Sec: 13 Twp: 5N Range: 96W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/20/2015	673402259	PR	PR	ACTION REQUIRED			No
01/27/2014	673400225	PR	PR	ACTION REQUIRED	F		No
11/19/2013	673400123	PR	PR	ACTION REQUIRED	F		No
05/10/2012	668500044	PR	TA	ALLEGED VIOLATION	I		Yes
06/27/2011	200323461	PR	SI	ACTION REQUIRED			Yes
10/03/2006	200103242	ID	SI	SATISFACTORY		Pass	No
02/22/1999	500154448	ID	SI			Pass	No

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
116613	PIT		09/23/1999		-	A.P. URIE	<input type="checkbox"/>
222309	WELL	PR	11/01/2014	OW	081-05284	A.P. URIE 1	SI <input checked="" type="checkbox"/>
442574	SPILL OR RELEASE	AC	07/21/2015		-	SPILL/RELEASE POINT	AC <input type="checkbox"/>

Equipment:**Location Inventory**

Inspector Name: Waldron, Emily

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

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	SATISFACTORY			
WELLHEAD	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY	Tank is labeled with both produced water and crude oil as contents.		

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
------	------	--------	-------------------	---------

☐ Multiple Spills and Releases?

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Pump Jack	1	ACTION REQUIRED	Crude and paraffin built up around wellhead. Appears to have slow leak. Fresh fluid even with well shut in. Fresh pea gravel at wellhead covering petroliferous soil.	Repair and maintain equipment to prevent leaks and spills.	10/02/2015

Facilities:

☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	1	400 BBLS	STEEL AST	40.382190,-108.131320

S/A/V: SATISFACTORY Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint

Condition Adequate

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Inspector Name: Waldron, Emily

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Inadequate	Walls Insufficient		Inadequate	
Corrective Action	Construct berm to be capable of containing a release. Berms must be constructed of a sufficiently impervious material and be compacted and regularly maintained. Please provide proof of capacity to inspector via email.				Corrective Date 12/03/2013
Comment	Berm is constructed of loose, uncompacted material. Material is not impervious. Berm is constructed on slope, capacity is effected by this.				

Venting:		
Yes/No	Comment	
NO		

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 222309

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: 222309 Type: WELL API Number: 081-05284 Status: PR Insp. Status: SI

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

S/A/V: SATISFACTORY CA Date: _____

CA: _____

Comment: _____

Environmental**Spills/Releases:**

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Inspector Name: Waldron, Emily

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: Waldron, Emily

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: **ACTION REQUIRED**

Corrective Date: **08/21/2015**

Comment: **No stormwater BMPs observed on location. Berm around tank is not compacted, gravel mentioned in previous report has been removed. Rills continue to develop on access road.**

CA: **A stormwater plan utilizing appropriate and necessary BMPs shall be installed and maintained to prevent the migration of soil on pad, access roads and interim reclamation area. BMPs shall prevent site degradation from potential spills and/or releases from stored materials and equipment.**

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Follow up to inspection from 7/20/2015 document number 673402259. Spill report (document number 400871277) and supplement spill report (document number 400878504) have been filed. No evidence of anti-tampering efforts being installed. Clean up efforts are apparent, spill pathway still evident. Berm has been expanded but not compacted and location of berm on a slope leads inspector to question capacity. Please provide proof of capacity and proof of compaction/construction with appropriate, impervious material, to inspector via email, emily.waldron@state.co.us within 7 days of receipt of this report.	waldrone	09/08/2015

Attached Documents

Inspector Name: Waldron, Emily

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

Document Num	Description	URL
673402429	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3678388

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.)