

|  |  |  |  |  |    |    |    |    |
|--|--|--|--|--|----|----|----|----|
| <b>FORM<br/>INSP</b><br><br>Rev<br>05/11 | <b>State of Colorado</b><br><b>Oil and Gas Conservation Commission</b><br>1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109 |  |  |  | DE | ET | OE | ES |
|  | Inspection Date:<br><u>02/02/2012</u>  |  |  |  |    |    |    |    |

|                              |                              |                         |   |
|------------------------------|------------------------------|-------------------------|---|
| <b>FIELD INSPECTION FORM</b> |                              |                         |   |
| Location Identifier          | Facility ID<br><u>426529</u> | Loc ID<br><u>426533</u> | Tracking Type<br>Inspector Name: <u>LONGWORTH, MIKE</u> |

**Operator Information:**

OGCC Operator Number: 10301 Name of Operator: DEJOUR ENERGY (USA) CORPORATION  
 Address: 1401 17TH STREET #1000  
 City: DENVER State: CO Zip: 80202

**Contact Information:**

| Contact Name | Phone | Email            | Comment |
|--------------|-------|------------------|---------|
|              |       | ngmut@dejour.com |         |

**Compliance Summary:**

QtrQtr: SWSE Sec: 21 Twp: 6S Range: 91W

| Insp. Date | Doc Num   | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 12/08/2011 | 663800056 | XX         | ND          | U                            |          |                | N               |

**Inspector Comment:**

**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name       |   |
|-------------|------|--------|-------------|------------|-----------|---------------------|---|
| 426529      | WELL | XX     | 11/17/2011  |            | 045-21180 | FEDERAL 6/7-14-21   | X |
| 426539      | WELL | XX     | 11/17/2011  |            | 045-21181 | FEDERAL 6/7-15-21   | X |
| 426544      | WELL | XX     | 11/17/2011  |            | 045-21182 | FEDERAL 6/7-13-21   | X |
| 426545      | WELL | XX     | 11/17/2011  |            | 045-21183 | FEDERAL 6/7-16-21   | X |
| 427243      | WELL | XX     | 01/06/2012  |            | 045-21277 | PWD Federal 21-6-91 | X |

**Equipment:** Location Inventory

|                                      |                               |                             |                                 |
|--------------------------------------|-------------------------------|-----------------------------|---------------------------------|
| Special Purpose Pits: <u>      </u>  | Drilling Pits: <u>  1  </u>   | Wells: <u>  9  </u>         | Production Pits: <u>  1  </u>   |
| Condensate Tanks: <u>  3  </u>       | Water Tanks: <u>  2  </u>     | Separators: <u>  4  </u>    | Electric Motors: <u>      </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>  1  </u>    |
| Gas Compressors: <u>      </u>       | VOC Combustor: <u>  1  </u>   | Oil Tanks: <u>      </u>    | Dehydrator Units: <u>      </u> |
| Multi-Well Pits: <u>      </u>       | Pigging Station: <u>  1  </u> | Flare: <u>      </u>        | Fuel Tanks: <u>      </u>       |

**Location**

**Lease Road:**

| Type   | Satisfactory/Unsatisfactory | comment | Corrective Action | Date |
|--------|-----------------------------|---------|-------------------|------|
| Access | Satisfactory                |         |                   |      |

| <b>Signs/Marker:</b> |                             |         |                   |         |
|----------------------|-----------------------------|---------|-------------------|---------|
| Type                 | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| BATTERY              | Satisfactory                |         |                   |         |

Emergency Contact Number: (S/U/V) \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

| <b>Good Housekeeping:</b> |                             |         |                   |         |
|---------------------------|-----------------------------|---------|-------------------|---------|
| Type                      | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| TRASH                     | Satisfactory                |         |                   |         |

| <b>Spills:</b>   |      |        |                   |         |
|--|------|--------|-------------------|---------|
| Type   | Area | Volume | Corrective action | CA Date |
| <input type="checkbox"/> Multiple Spills and Releases? |      |        |                   |         |

| <b>Fencing/:</b> |                             |         |                   |         |
|------------------|-----------------------------|---------|-------------------|---------|
| Type             | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| LOCATION         | Satisfactory                |         |                   |         |

| <b>Venting:</b> |  | Comment |
|-----------------|--|---------|
| Yes/No          |  |         |
| NO              |  |         |

| <b>Flaring:</b> |                             |         |                   |         |
|-----------------|-----------------------------|---------|-------------------|---------|
| Type            | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|                 |                             |         |                   |         |

**Predrill**

Location ID: 426533

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

| Group | User     | Comment  | Date       |
|-------|----------|--|------------|
| OGLA  | kubeczko | <p>SITE SPECIFIC COAs:</p> <p>Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to construction of the pit.</p> <p>A Form 15 Earthen Pit Permit must be submitted to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and approval must be obtained prior to construction of the completion/flowback fluids/production pit.</p> <p>Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of pit and fracing operations.</p> <p>Operator must ensure 110 percent secondary containment for any volume of fluids</p> | 10/07/2011 |

contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.

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.

If there are changes to the pit construction (i.e. changes from the submitted construction layout drawings), then the operator must submit a professional engineer (PE) approved/stamped as-built drawing (plan view and cross-sections) of the completion/flowback/production pit within 30 calendar days of construction.

The completion/flowback fluids/production pit must be fenced and netted. The operator must maintain 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.

Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

A surface water sample from the unnamed stream located to the northeast shall be collected prior to pit use and every 12 months to evaluate potential impacts from pit operations. At a minimum, the surface water samples will be analyze for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/DRO.

Prior to pit closure, operator must submit E&P waste disposal information (if different from the Form 15) via a Form 4 Sundry Notice to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Environmental Supervisor for Western Colorado (alex.fischer@state.co.us)for approval.

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.

The liner in the cuttings pits must be removed and disposed of offsite prior to final disposal of drill cuttings in the pit.

**Wildlife BMPs:**

**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: _____  |                                      |
| <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> |                                      |
|  |                                      |

| <b>Well</b>         |        |                   |           |               |
|---------------------|--------|-------------------|-----------|---------------|
| Facility ID: _____  | 426529 | API Number: _____ | 045-21180 | Status: _____ |
|                     |        |                   |           | XX            |
| Insp. Status: _____ |        |                   |           | ND            |
| Facility ID: _____  | 426539 | API Number: _____ | 045-21181 | Status: _____ |
|                     |        |                   |           | XX            |
| Insp. Status: _____ |        |                   |           | ND            |
| Facility ID: _____  | 426544 | API Number: _____ | 045-21182 | Status: _____ |
|                     |        |                   |           | XX            |
| Insp. Status: _____ |        |                   |           | ND            |
| Facility ID: _____  | 426545 | API Number: _____ | 045-21183 | Status: _____ |
|                     |        |                   |           | XX            |
| Insp. Status: _____ |        |                   |           | ND            |
| Facility ID: _____  | 427243 | API Number: _____ | 045-21277 | Status: _____ |
|                     |        |                   |           | XX            |
| Insp. Status: _____ |        |                   |           | ND            |

| <b>Environmental</b>              |   |                               |                |
|-----------------------------------|---|-------------------------------|----------------|
| <b>Spills/Releases:</b>           |   |                               |                |
| Type of Spill: _____              | Description: _____  | Estimated Spill Volume: _____ | 12             |
| Type of Spill:                    | DRILLING  | Description:                  | cement returns |
| Comment:                          | Williams contractor unload in to pit instead of Williams pit which is one more turn from Rig 573. Pit has not been lined yet. Cement has been removed and some earth removed and filled with "clean" earth. |                               |                |
| Corrective Action: _____          | Work with COGCC Enviromental and Williams   | Date:                         | 03/31/2012     |
| Reportable: _____                 | GPS: Lat _____  | Long _____                    |                |
| Proximity to Surface Water: _____ | Depth to Ground Water: _____  |                               |                |

|                        |                   |            |            |
|------------------------|-------------------|------------|------------|
| <b>Water Well:</b>     |                   |            |            |
| DWR Receipt Num: _____ | Owner Name: _____ | GPS: _____ | Lat _____  |
|                        |                   |            | Long _____ |

|                          |
|--------------------------|
| <b>Field Parameters:</b> |
|--------------------------|

|                        |
|------------------------|
| Sample Location: _____ |
|------------------------|

|  |
|--|
| Emission Control Burner (ECB): _____               |
| Comment: _____                                     |
| Pilot: _____                                       |
| Wildlife Protection Devices (fired vessels): _____ |

| <b>Reclamation - Storm Water - Pit</b> |
|--|
|--|

|   |   |
|---|---|
| <b>Interim Reclamation:</b>             |   |
| 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 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:**

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 \_\_\_\_\_

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 \_\_\_\_\_

Inspector Name: LONGWORTH, MIKE

Weeds present \_\_\_\_\_ Subsidence \_\_\_\_\_  
Comment: \_\_\_\_\_  
Corrective Action: \_\_\_\_\_ Date \_\_\_\_\_  
Overall Final Reclamation

**Storm Water:**

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
|                  |                 |                         |                       |               |                          |         |

S/U/V: Satisfactory \_\_\_\_\_ Corrective Date: \_\_\_\_\_  
Comment: \_\_\_\_\_  
CA: \_\_\_\_\_

**Pits:**

Pit Type: Drilling Pit \_\_\_\_\_ Lined: NO \_\_\_\_\_ Pit ID: \_\_\_\_\_ Lat: \_\_\_\_\_ Long: \_\_\_\_\_  
**Lining:**  
Liner Type: \_\_\_\_\_ Liner Condition: \_\_\_\_\_  
Comment: Pit has not been lined yet still building location \_\_\_\_\_  
**Fencing:**  
Fencing Type: None \_\_\_\_\_ Fencing Condition: \_\_\_\_\_  
Comment: \_\_\_\_\_  
**Netting:**  
Netting Type: \_\_\_\_\_ Netting Condition: \_\_\_\_\_  
Comment: \_\_\_\_\_  
Anchor Trench Present: \_\_\_\_\_ Oil Accumulation: \_\_\_\_\_ 2+ feet Freeboard: \_\_\_\_\_  
Pit (S/U/V): \_\_\_\_\_ Comment: \_\_\_\_\_  
Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_