

<b>FORM INSP</b>  Rev 05/11	<b>State of Colorado</b> <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109		DE ET OE ES
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Inspection Date:  
07/11/2012

Document Number:  
668400566

Overall Inspection:  
Satisfactory

**FIELD INSPECTION FORM**

Location Identifier	Facility ID <u>292452</u>	Loc ID <u>312741</u>	Tracking Type	Inspector Name: <u>BROWNING, CHUCK</u>
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**Operator Information:**

OGCC Operator Number: 10150 Name of Operator: BLACK HILLS PLATEAU PRODUCTION LLC

Address: 1515 WYNKOOP ST STE 500

City: DENVER State: CO Zip: 80202

**Contact Information:**

Contact Name	Phone	Email	Comment
Lindholm, Stan	(970) 257-0727	stan.lindholm@blackhillscorp.com	
Donahue, Jessica	(720) 210-1333	jessica.donahue@blackhillscorp.com	
Browning, Chuck	970-433-4139	chuck.browning@state.co.us	Field Inspector

**Compliance Summary:**

QtrQtr: SWSW Sec: 35 Twp: 9s Range: 97w

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
03/25/2010	200239344	PR	PR	S			N
08/04/2008	200206700	PR	PR	S			N
08/04/2008	200206702	PR	PR	S			N

**Inspector Comment:**

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
292452	WELL	PR	08/14/2011	GW	077-09403	Federal 35-2	<input checked="" type="checkbox"/>
420488	PIT		11/19/2010		-	HANCOCK GULCH 1	<input checked="" type="checkbox"/>

**Equipment:**

Location Inventory

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

**Location**



<b>Facilities:</b>		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	100 BBLS	STEEL AST	39.226580,-108.191820
S/U/V:	Satisfactory	Comment:		
Corrective Action:				Corrective Date:
<b>Paint</b>				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
<b>Berms</b>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				
<b>Venting:</b>				
Yes/No	Comment			
<b>Flaring:</b>				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

<b>Predrill</b>			
Location ID: 312741			
<b>Site Preparation:</b>			
Lease Road Adeq.:	_____	Pads:	_____
Soil Stockpile:	_____		
Corrective Action:	_____	Date:	_____
CDP Num.:	_____		
<b>Form 2A COAs:</b>			
Group	User	Comment	Date
OGLA	kubeczkod	If the completion/flowback pit is not closed (either drained and/or backfilled) immediately after well completion, then operator must appropriately fence and net the completion/flowback pit, in a timely manner, and maintain the fencing and netting until pit is closed.	11/19/2010
OGLA	kubeczkod	Operator must submit a professional engineer (PE) approved/stamped as-built drawing (plan view and cross-sections) of the completion/flowback pit within 14 calendar days of construction.	11/19/2010
OGLA	kubeczkod	Location is in a sensitive area because of close 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; 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., BMPs associated with stormwater management) sufficiently protective of the nearby surface water.	10/21/2010

OGLA	kubeczkod	A closed loop system must be implemented during drilling. Any other pit constructed that will hold any drilling or completion fluids must be lined.	10/21/2010
OGLA	kubeczkod	Operator must implement best management practices to contain any unintentional release of fluids.	10/21/2010
OGLA	kubeczkod	If fluids are conveyed via pipeline, operator must implement best management practices to contain any unintentional release of fluids.	10/21/2010
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.	10/21/2010

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

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Wildlife BMPs:**

**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:

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:

\_\_\_\_\_



with you, etc, etc. Am I right? Is this 'pit closure'? Something else? They were actually removing soil to build a new pit, but will be putting it back when the pit is closed.

They didn't notify me when they turned up the contaminated soil (which also contained pieces of old pit liner), although they were aware of it. Until I discovered it during a construction inspection, they were just burying it with the rest of the subsoil coming out of the ground.

API is 050770940300S1  
T9S R97W, Sec 35, SWSW  
Federal well Shire Gulch 35-2, Lease COC 22503

What do you think about how to pursue this? I'll paste in my inspection notes below.

PS - just as a sidenote, the pad expansion was not constructed to BLM or CDPHE standards, and they're under orders to fix that immediately as well. Fill slopes loose/unstable and steep, insufficient SW BMPs, etc.

~~~~~ Surface Inspection Notes ~~~~~

Black Hills Shire Gulch 35-2, COC22503, expand existing pad for horizontal shale recomple, JESC, 6/21/11

Pad has been expanded and new frac fluids pit constructed. Approved by Sundry.

Steep loose soil piles and fill slopes in places, lacking SW BMPs (notable at E and NW). Not track walked, seeded or otherwise stabilized.

Large frac water pit under construction. Stained soil and liner pieces (HC smelly) uncovered during pit construction, tho previous pit not located here. Presumably deposited by previous landowner who closed original reserve pit. Black Hills was notified of contaminated soils by construction and SW inspector but did not self-report to BLM or COGCC. Much of the bad soil was removed gradually during construction, mixing with subsoils in soils storage piles.

Julia Verbally Warned that remaining stained soil be removed and segregated. Liner to be installed under and cover installed over, per MB foreman Seely at site. Stan Lindholm of BH was info

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? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Waste Material Onsite? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Unused or unneeded equipment onsite? \_\_\_\_\_ CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Pit, cellars, rat holes and other bores closed? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Guy line anchors removed? \_\_\_\_\_ CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Guy line anchors marked? Pass CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

1003b. Area no longer in use? Pass Production areas stabilized ? Pass

1003c. Compacted areas have been cross ripped? \_\_\_\_\_

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

Cuttings management: \_\_\_\_\_

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? In

Production areas have been stabilized? Pass 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? \_\_\_\_\_ P \_\_\_\_\_

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

Overall Interim Reclamation In Process

**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 \_\_\_\_\_  
 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: \_\_\_\_\_ Corrective Date: \_\_\_\_\_  
 Comment: \_\_\_\_\_  
 CA: \_\_\_\_\_

**Pits:**

Pit Type: Evaporation Lined: YES Pit ID: 420488 Lat: 39.226390 Long: -108.191700  
**Lining:**  
 Liner Type: PVC Liner Condition: Adequate  
 Comment: \_\_\_\_\_  
**Fencing:**  
 Fencing Type: Wildlife Fencing Condition: Adequate  
 Comment: \_\_\_\_\_  
**Netting:**  
 Netting Type: Mesh Netting Condition: Good  
 Comment: \_\_\_\_\_  
 Anchor Trench Present: YES Oil Accumulation: YES 2+ feet Freeboard: \_\_\_\_\_  
 Pit (S/U/V): Satisfactory Comment: Soil from pits stockpiled on N side of pad.  
 Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_

| Permit: | Facility ID | Permit Num | Expiration Date |
|---------|-------------|------------|-----------------|
|         | 420488      | 2085757    |                 |
|         | 420488      | 2085757    |                 |