

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



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| DE | ET | OE | ES |
|----|----|----|----|

Inspection Date:
10/17/2012

Document Number:
663300684

Overall Inspection:
Unsatisfactory

FIELD INSPECTION FORM

| | | | | |
|---------------------|---------------|---------------|---------------|--------------------|
| Location Identifier | Facility ID | Loc ID | Tracking Type | Inspector Name: |
| | <u>277996</u> | <u>317395</u> | | <u>SCHURE, KYM</u> |

Operator Information:

OGCC Operator Number: 10325 Name of Operator: RECOVERY ENERGY INC
 Address: 1515 WYNKOOP STREET - STE #200
 City: DENVER State: CO Zip: 80202

Contact Information:

| Contact Name | Phone | Email | Comment |
|--------------|-------|------------------------------|---------|
| Parker, R. | | rparker@recoveryenergyco.com | |

Compliance Summary:

QtrQtr: NENE Sec: 25 Twp: 3S Range: 51W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 09/18/2007 | 200119496 | PR | PR | S | | | N |
| 07/26/2007 | 200116016 | PR | PR | S | | P | N |
| 05/04/2007 | 200111089 | PR | PR | U | | F | Y |
| 07/17/2006 | 200094469 | PR | PR | U | | F | Y |
| 08/29/2005 | 200076260 | PR | PR | U | | F | Y |
| 06/16/2005 | 200073027 | DG | DG | U | | P | N |

Inspector Comment:

Spoke to engineers office Recovery Energy, they had recently initiated resolving non-compliance issues Scheduled reinspection for 12-15-2012

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name |
|-------------|------|--------|-------------|------------|-----------|---------------|
| 277996 | WELL | PR | 06/14/2008 | OW | 121-10858 | CHURCH 41-25 |

Equipment:

Location Inventory

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| 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

Emergency Contact Number: (S/U/V) Unsatisfactory Corrective Date: _____
 Comment: 970-357-4315 is an invalid emergency contact no. Emer. Cont. No. must be received by a live attendant 24-7-365.

Inspector Name: SCHURE, KYM

Corrective Action: Provide live attendant answering for Emergency response contact.

| Spills: | | | | |
|----------------|-----------|-----------|--|------------|
| Type | Area | Volume | Corrective action | CA Date |
| Crude Oil | Separator | <= 5 bbls | Remove or remediate crude inside berm at separator-P/W containment berm. | 11/30/2012 |
| Produced Water | Separator | <= 5 bbls | Repair leak on bolted seam at P/W tank | 11/30/2012 |

Multiple Spills and Releases?

| Equipment: | | | | | |
|-----------------------------|---|-----------------------------|---|--|------------|
| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| Bird Protectors | 4 | Satisfactory | | | |
| Horizontal Heated Separator | 1 | Satisfactory | | | |
| Progressive Cavity | 1 | Satisfactory | Electric motor on Prog. Cav. pump. | | |
| Deadman # & Marked | 4 | Satisfactory | | | |
| Vertical Heated Separator | 1 | Satisfactory | | | |
| Ancillary equipment | 1 | Unsatisfactory | No containment under chemical additive tanks at wellhead. | Install containment under chemical additive tanks at wellhead. | 11/30/2012 |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------|---|----------|------|--------|
| | | | | |

S/U/V: _____ Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint

| | |
|-----------|-------|
| Condition | _____ |
|-----------|-------|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
| | | | | |

Corrective Action _____ Corrective Date _____

Comment _____

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|--------------------|---|-----------|--|-----------------------------|
| PRODUCED WATER | 1 | <100 BBLs | STEEL AST | , |
| S/U/V: | Unsatisfactory | | Comment: No placarding on any tanks, vessels or containers. Leak at bolted seam on P/W tank. | |
| Corrective Action: | Install placarding identifying- contents, quantities & fire code on all tanks, vessels and containers. Repair leak on seam at P/W tank. | | | Corrective Date: 11/30/2012 |

Paint

| | |
|------------------|-------|
| Condition | |
| Other (Content) | _____ |
| Other (Capacity) | _____ |
| Other (Type) | _____ |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------------------|----------|---------------------|---------------------|-----------------|
| Earth | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|--------------------|----------|----------|-----------|----------------------|
| PRODUCED WATER | 2 | 200 BBLs | STEEL AST | 39.000000,103.000000 |
| S/U/V: | Comment: | | | |
| Corrective Action: | | | | Corrective Date: |

Paint

| | |
|------------------|-------|
| Condition | |
| Other (Content) | _____ |
| Other (Capacity) | _____ |
| Other (Type) | _____ |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------------------|----------|---------------------|---------------------|-----------------|
| | | | | |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

| | | | | | |
|--------------------|--|-----------------------------------|---|----------------------|------------|
| Facilities: | | <input type="checkbox"/> New Tank | Tank ID: _____ | | |
| Contents | # | Capacity | Type | SE GPS | |
| CRUDE OIL | 4 | 300 BBLS | STEEL AST | 39.000000,103.000000 | |
| S/U/V: | Unsatisfactory | | Comment: Shared battery with 41-25 & 41A-25 | | |
| Corrective Action: | Install placards to identify contents, quantities and fire code on all tanks, vessels, containers etc..... | | | Corrective Date: | 11/30/2012 |
| Paint | | | | | |
| Condition | | | | | |
| Other (Content) | _____ | | | | |
| Other (Capacity) | _____ | | | | |
| Other (Type) | _____ | | | | |
| Berms | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| | | | | | |
| Corrective Action | | | | Corrective Date | |
| Comment | | | | | |
| Venting: | | | | | |
| Yes/No | Comment | | | | |
| YES | | | | | |
| Flaring: | | | | | |
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date | |
| | | | | | |

Predrill

Location ID: 317395

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

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:

Facility

Facility ID: 277996 Type: WELL API Number: 121-10858 Status: PR Insp. Status: PR

Producing Well

Comment: _____

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: _____
 Comment: _____

- 1003a. Debris removed? Pass CM _____
 CA _____ CA Date _____
- Waste Material Onsite? Pass CM _____
 CA _____ CA Date _____
- Unused or unneeded equipment onsite? In CM Unused tank in battery
 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? _____ CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? In 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? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Inspector Name: SCHURE, KYM

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced In Recontoured Pass 80% Revegetation In

1003 f. Weeds Noxious weeds? P

Comment: _____

Overall Interim Reclamation Pass

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 _____ Multi-Well Location

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:

Inspector Name: SCHURE, KYM

Pit Type: Produced Water Lined: _____ Pit ID: _____ Lat: _____ Long: _____

Lining:

Liner Type: _____ Liner Condition: _____

Comment: Monitor freeboard on P/W pit

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: _____ 2+ feet Freeboard: _____

Pit (S/U/V): Unsatisfactory Comment: Monitor freeboard on P/W pit, northeast corner.

Corrective Action: Date: _____