

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
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Inspection Date: 11/01/2012

Document Number: 668200287

Overall Inspection: Satisfactory

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: <u>LEONARD, MIKE</u>
	<u>429619</u>	<u>429618</u>		

Operator Information:

OGCC Operator Number: 78110 Name of Operator: SWEPI LP

Address: 4582 S ULSTER ST PKWY #1400

City: DENVER State: CO Zip: 80237

Contact Information:

Contact Name	Phone	Email	Comment
Bergeron, Kevin		kevin.bergeron@shell.com	Huerfano County Inspections
Clark, Brenda	(832) 337-1817	brenda.l.clark@shell.com	Enviro Specialist
Pearson, Skylar		skylar.pearson@shell.com	Huerfano County Inspections

Compliance Summary:

QtrQtr: NWSW Sec: 24 Twp: 27S Range: 69W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
09/12/2012	663600179	XX	ND	S			N

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
429619	WELL	XX	07/17/2012		055-06309	Freeman 3-24	<input checked="" type="checkbox"/>

Equipment:

Location Inventory

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

Location

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

Comment: _____

Corrective Action: _____

Spills:

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

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
LOCATION	Satisfactory	BARBED WIRE		

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 429618

Site Preparation:

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	koepsear	Venting of gas is prohibited on the location.	07/03/2012
OGLA	koepsear	Provide notice to COGCC 48-hours prior to commencement of construction activities via form 42.	05/23/2012
OGLA	koepsear	<p>The operator will conduct baseline sampling of (at a minimum) the two (2) closest water wells prior to spudding the well. The operator may conduct additional groundwater monitoring at their own discretion.</p> <p>Laboratory analysis at a minimum will include the following: pH (lab), TDS, Conductivity (lab, not resistivity), SAR calculation, Ca, K, Mg, Na, As, B, Ba, Cd, Cr, Cu, Fe, Mn, Pb, Se (all total recoverable), Br, Cl, F, SO4, Alkalinity (Total, HCO3 and CO3 – all expressed as CaCO3), benzene, toluene, ethyl benzene, o-xylene, m- + p-xylene, Dissolved Methane, DRO, GRO. Field parameters including pH, Temperature and Conductivity shall be recorded prior to collecting the sample for laboratory analysis. Field observations such as odor, water color, sediment, bubbles and effervesce shall also be included.</p> <p>If free gas or a dissolved methane concentration level greater than one (1) milligrams per liter (mg/l) is detected in a water well, gas compositional analysis and stable isotope analysis of the methane (carbon and deuterium) shall be performed to determine gas type (biogenic or thermogenic). If the methane concentration increases by more than five (5) mg/l between sampling periods, or increases to more than ten (10) mg/l, the operator shall notify the Director and the owner of the water well immediately. If thermogenic methane concentrations increase between sampling periods, the operator shall submit to the Director an action plan to determine the source of the increase.</p> <p>The selected sampling locations will be sampled again 1 year, 3 years and 6 years after completion. Post completion sampling of water wells will consist of the same analyte list as the pre-drilling program. Copies of all test results, field parameters and field observations described above shall be provided to the Director, and the water well owner within three (3) months of collecting the samples. The analytical data and surveyed sample locations shall also be submitted to the Director in an electronic data deliverable format approved by Director.</p> <p>Participating in the COGA voluntary baseline water quality monitoring program meets the requirements of this COA.</p>	05/23/2012

OGLA	koepsear	Flowback and stimulation fluids must be sent to tanks. The flowback and stimulation fluid tanks must be placed on the well pad in an area with additional down gradient perimeter berming sufficiently impervious to contain any spilled or released material (per Rule 604.a.(4)). Tanks used for flowback must be equipped with emission reducing devices during flowback.	05/23/2012
OGLA	koepsear	Provide notice to COGCC 48-hours prior to commencement of Hydraulic Fracturing activities via form 42.	05/23/2012
OGLA	koepsear	Only enclosed flares shall be utilized at the location. A Form 4 Sundry Notice is required to be filed with the COGCC stating that flaring will be taking place on the location. The Sundry is required to be submitted and approved prior to initiating flaring. The Sundry shall also include a line drawing of the flare.	07/03/2012
OGLA	koepsear	Emissions from condensate, crude oil, and produced water tanks and from glycol dehydrators shall be controlled by a device capable of 95% control efficiency of VOC. The device(s) shall be maintained to allow maximum efficiency during operations. If necessary, a permit from the Colorado Department of Public Health and Environment, Air Pollution Control Division, for the tank(s), Dehydrator(s) and control device(s) shall be obtained.	05/23/2012

Comment: _____

CA: _____

Date: _____

Wildlife BMPs:

BMP Type	Comment
Material Handling and Spill Prevention	Spill Prevention Control & Countermeasure Plans (SPCC) are in place to address material releases and to prescribe materials handling BMPs for the facility. "Good house-keeping" measures will be taken to ensure proper waste disposal.
Storm Water/Erosion Control	Stormwater Management Plans (SWMP) are in place to comply with both Colorado Department of Public Health and Environment (CDPHE) and Colorado Oil and Gas Conservation Commission (COGCC) stormwater discharge permits. The construction layout for Freeman 3-24 details Best Management Practices (BMP) to be installed during initial construction. Note that BMPs may be removed, altered, or replaced with changing conditions in the field and the SWMP will be updated accordingly. The BMPs prescribed for the initial construction phase include, but are not limited to <ul style="list-style-type: none"> • Construction diversion ditch • Sediment reservoirs • Check dams • Level spreaders • Stabilized construction entrance • Slash • Sediment trap • Wattle • Terrace • Secondary containment berms • Detention ponds

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: 429619 Type: WELL API Number: 055-06309 Status: XX Insp. Status: ND

Well Drilling

Rig: Rig Name: NABORS Pusher/Rig Manager: _____
 Permit Posted: Satisfactory Access Sign: Satisfactory

Well Control Equipment:
 Pipe Ram: _____ Blind Ram: _____ Hydril Type: _____
 Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:
 Lined Pit: _____ Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
 Multi-Well: _____ Disposal Location: _____

Comment:

 RIG IN PROCESS OF RIGGING UP

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:
 DWR Receipt Num: _____ Owner Name: _____ GPS: _____ Lat _____ Long _____

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 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: _____

Inspector Name: LEONARD, MIKE

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
Berms	Pass	Berms	Pass	SR	Pass	
Gravel	Pass	Gravel	Pass	MHSP	Pass	
Waddles	Pass	Waddles	Pass			
Compaction	Pass	Compaction	Pass	CM	Pass	
		Culverts	Pass			
Ditches	Pass	Ditches	Pass			

S/U/V: Satisfactory Corrective Date: _____
 Comment: _____
 CA: _____