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|---|--|--|--|--|---------------------------------------|----|----|----|
| FORM INSP <small>Rev 05/11</small> | State of Colorado | | |  | DE | ET | OE | ES |
| | Oil and Gas Conservation Commission | | | | Inspection Date: <u>11/19/2012</u> | | | |
| <small>1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109</small> | | | | | | | | |

FIELD INSPECTION FORM

| | | | | |
|---------------------|------------------------------|-------------------------|---------------|--------------------------------------|
| Location Identifier | Facility ID <u>425247</u> | Loc ID <u>425246</u> | Tracking Type | Inspector Name: <u>LEONARD, MIKE</u> |
|---------------------|------------------------------|-------------------------|---------------|--------------------------------------|

Document Number:
668200323

Overall Inspection:
Satisfactory

Operator Information:

OGCC Operator Number: 10417 Name of Operator: INCREMENTAL OIL AND GAS (FLORENCE) LLC

Address: 4900 CALIFORNIA AVENUE, TOWER B-210

City: BAKERSFIELD State: CA Zip: 93309

Contact Information:

| Contact Name | Phone | Email | Comment |
|------------------------|----------------|--------------------------|----------------------|
| Regan-Williams, Sharon | (720) 932-8152 | sharon@incrementalog.com | Florence Inspections |
| Hasty, Tim | (303) 226-1300 | thhasty@gmail.com | pumper |

Compliance Summary:

QtrQtr: Lot 2 Sec: 31 Twp: 19S Range: 69W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 07/30/2012 | 668200006 | PR | PR | S | I | | N |
| 12/19/2011 | 664000230 | PR | PR | S | | | N |

Inspector Comment:

MET WITH PETER GINTAUTAS, COGGC, AND TIM HASTY TO TAKE FLUID SAMPLES

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | |
|-------------|------|--------|-------------|------------|-----------|-----------------|-------------------------------------|
| 425247 | WELL | PR | 11/28/2011 | OW | 043-06212 | Swordfish 13-31 | <input checked="" type="checkbox"/> |
| 425295 | PIT | CL | 04/10/2012 | | - | SWORDFISH 13-31 | <input type="checkbox"/> |

Equipment: Location Inventory

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

Location

Signs/Marker:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|----------------------|-----------------------------|---------|-------------------|---------|
| TANK LABELS/PLACARDS | Satisfactory | | | |
| WELLHEAD | Satisfactory | | | |
| BATTERY | Satisfactory | | | |

Inspector Name: LEONARD, MIKE

Emergency Contact Number: (S/U/V) Satisfactory 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: 425246

Site Preparation:

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

Form 2A COAs:

| Group | User | Comment | Date |
|-------|----------|--|------------|
| OGLA | koepsear | Due to the likely hood of oil being received in the pit and exceeding 10,000 ppm TPH an approved Pit Permit (Form 15) will be required prior to pit construction. The form 15 shall include a pit management plan. | 07/21/2011 |

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: 425247 Type: WELL API Number: 043-06212 Status: PR Insp. Status: PR

Producing Well

Comment: PRODUCING

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? Pass

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

Inspector Name: LEONARD, MIKE

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? Pass

RESTORATION AND REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation In

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 Multi-Well Location

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Compaction | Pass | | | | | |
| Slope Roughening | Pass | Compaction | | | | |
| Gravel | Pass | | | | | |
| Waddles | Pass | Gravel | | | | |

S/U/V: Satisfactory Corrective Date: _____

Comment:

CA:

| Permit: | Facility ID | Permit Num | Expiration Date |
|---------|-------------|------------|-----------------|
| | 425295 | 2215827 | |
| | 425295 | 2215827 | |