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

Inspection Date: 11/27/2012

Document Number: 665400584

Overall Inspection: **Unsatisfactory**

FIELD INSPECTION FORM

| | | | | |
|---------------------|------------------------------|-------------------------|---------------|------------------------------------|
| Location Identifier | Facility ID <u>426753</u> | Loc ID <u>426749</u> | Tracking Type | Inspector Name: <u>PRECUP, JIM</u> |
|---------------------|------------------------------|-------------------------|---------------|------------------------------------|

Operator Information:

OGCC Operator Number: 100322 Name of Operator: NOBLE ENERGY INC

Address: 1625 BROADWAY STE 2200

City: DENVER State: CO Zip: 80202

Contact Information:

| Contact Name | Phone | Email | Comment |
|------------------|----------------|-----------------------------|-------------------------------------|
| Pavelka, Linda | (303) 228-4064 | LPavelka@nobleenergyinc.com | Regulatory Analyst |
| Mattox, Jennifer | 303-692-3144 | jennifer.mattox@state-co.us | environmental protection specialist |

Compliance Summary:

QtrQtr: NENE Sec: 34 Twp: 7N Range: 64W

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | |
|-------------|------|--------|-------------|------------|-----------|-----------------------|-------------------------------------|
| 426750 | WELL | XX | 12/04/2011 | LO | 123-34772 | DYER USX AB 35-67-1HN | <input checked="" type="checkbox"/> |
| 426753 | WELL | XX | 12/04/2011 | LO | 123-34773 | DYER USX AB 35-68-1HN | <input checked="" type="checkbox"/> |

Equipment: Location Inventory

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: <u>2</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: _____ | Separators: _____ | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: <u>2</u> |
| 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

Lease Road:

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

Signs/Marker:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|----------------------|-----------------------------|--|-------------------|---------|
| TANK LABELS/PLACARDS | Satisfactory | PRODUCTION TANKS SHOW CORRECT PLACARDING | | |

| | | | | |
|----------------------|----------------|--|---|------------|
| TANK LABELS/PLACARDS | Unsatisfactory | NO PLACARDING ON SEPARATORS | Install sign to comply with rule 210.b. | 12/14/2012 |
| WELLHEAD | Unsatisfactory | NO SIGNS ON WELLHEADS | Install sign to comply with rule 210.b. | 12/14/2012 |
| BATTERY | Satisfactory | | Install sign to comply with rule 210.b. | |
| TANK LABELS/PLACARDS | Unsatisfactory | PRODUCED WATER TANKS PLACARDING COVERED UP WITH INSULATION | Install sign to comply with rule 210.b. | 12/14/2012 |

Emergency Contact Number: (S/U/V) Unsatisfactory Corrective Date: 12/14/2012

Comment: NO SIGNS ON WELLHEADS--NO EMERGENCY CONTACT NUMBERS ON WELLHEADS

Corrective Action: PLACE SIGNS ON THE WELLHEADS WITH EMERGENCY CONTACT NUMBERS

| Spills: | | | | |
|----------------|------|-----------|---|------------|
| Type | Area | Volume | Corrective action | CA Date |
| Crude Oil | Tank | <= 5 bbls | TANKS LEAKING FROM THIEF HATCHES AND POPOFF VALVES WHEN WELLS ARE CYCLING--REPAIR ALL LEAKS--REMOVE ALL CRUDE OIL FROM TOPS AND SIDES OF TANKS--REMOVE ANY OIL STAINED SOIL INSIDE BATTERY BERM | 12/14/2012 |

Multiple Spills and Releases?

| Fencing/: | | | | |
|------------------|-----------------------------|--|-------------------|---------|
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| TANK BATTERY | Satisfactory | | | |
| OTHER | Satisfactory | FENCE AROUND PARTIALLY BURIED FIBERGLASS TANK FOR PRODUCED WATER | | |

| Equipment: | | | | | |
|-----------------------------|---|-----------------------------|---------|-------------------|---------|
| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| Gas Meter Run | 2 | Satisfactory | | | |
| Flow Line | 2 | Satisfactory | | | |
| Emission Control Device | 2 | Satisfactory | | | |
| Plunger Lift | 2 | Satisfactory | | | |
| Compressor | 2 | Satisfactory | | | |
| Dehydrator | 1 | Satisfactory | | | |
| Horizontal Heated Separator | 4 | Satisfactory | | | |
| Bird Protectors | 6 | Satisfactory | | | |
| Compressor | 2 | Satisfactory | VRU"S | | |

| | | | | |
|--------------------|--|-----------------------------------|---------------------|----------------------------|
| Facilities: | | <input type="checkbox"/> New Tank | Tank ID: _____ | |
| Contents | # | Capacity | Type | SE GPS |
| PRODUCED WATER | 1 | 100 BBLS | PBV FIBERGLASS | , |
| S/U/V: | Satisfactory | | Comment: | |
| Corrective Action: | | | | Corrective Date: |
| <u>Paint</u> | | | | |
| Condition | Adequate | | | |
| Other (Content) | _____ | | | |
| Other (Capacity) | _____ | | | |
| Other (Type) | _____ | | | |
| <u>Berms</u> | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Earth | Inadequate | Walls Insufficient | Base Sufficient | Inadequate |
| Corrective Action | PLACE BERM AROUND PARTIALLY BURIED PRODUCED WATER TANK | | | Corrective Date 12/14/2012 |
| Comment | | | | |

| | | | | |
|--------------------|--------------|-----------------------------------|---------------------|------------------|
| Facilities: | | <input type="checkbox"/> New Tank | Tank ID: _____ | |
| Contents | # | Capacity | Type | SE GPS |
| PRODUCED WATER | 2 | 300 BBLS | STEEL AST | , |
| S/U/V: | Satisfactory | | Comment: | |
| Corrective Action: | | | | Corrective Date: |
| <u>Paint</u> | | | | |
| Condition | Adequate | | | |
| Other (Content) | _____ | | | |
| Other (Capacity) | _____ | | | |
| Other (Type) | _____ | | | |
| <u>Berms</u> | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Earth | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

| | | | |
|--------------------|--------------|-----------------------------------|------------------|
| Facilities: | | <input type="checkbox"/> New Tank | Tank ID: _____ |
| Contents | # | Capacity | Type |
| CRUDE OIL | 4 | 300 BBLS | STEEL AST |
| S/U/V: | Satisfactory | Comment: | |
| Corrective Action: | | | Corrective Date: |

Paint

| | |
|------------------|----------|
| Condition | Adequate |
| 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: | | <input type="checkbox"/> New Tank | Tank ID: _____ |
| Contents | # | Capacity | Type |
| OTHER | 4 | <50 BBLS | OTHER |
| S/U/V: | Satisfactory | Comment: | OTHERS EQUAL SEPARATORS |
| Corrective Action: | | | Corrective Date: |

Paint

| | |
|------------------|----------|
| Condition | Adequate |
| 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 | | | | |

| | |
|-----------------|---|
| Venting: | |
| Yes/No | Comment |
| YES | Venting out of thief hatches on Crude oil Tanks |

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

| | | | | |
|--------------------------|-------|-----------------|--|--|
| Predrill | | | | |
| Location ID: 426749 | | | | |
| Site Preparation: | | | | |
| Lease Road Adeq.: | Pads: | Soil Stockpile: | | |
| Corrective Action: | Date: | CDP Num.: | | |

Form 2A COAs:

Comment: _____

CA: _____ **Date:** _____

Wildlife BMPs:

| BMP Type | Comment |
|--|---|
| General Housekeeping | Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup is required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup of trash and discarded materials will be conducted at the end of each work day. Cleanup will consist of patrolling the roadway, access areas, and other work areas to pickup trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly. |
| Storm Water/Erosion Control | Stormwater management plans (SWMP) are in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE) General Permit No. COR-038637. BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation. |
| Material Handling and Spill Prevention | Spill Prevention Control and Countermeasures (SPCC) plans are in place to address any possible spill associated with Oil & Gas operations throughout the state of Colorado in accordance with CFR 112. |

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: 426750 Type: WELL API Number: 123-34772 Status: XX Insp. Status: PR

Facility ID: 426753 Type: WELL API Number: 123-34773 Status: XX Insp. Status: PR

Producing Well

Comment: HORIZONTAL WELLS ARE PRODUCING INTO SAME BATTERY SITE---THIS SITE IS SUSPECTED AS HAVING BEEN A PROBLEM SITE IN A NOISE COMPLAINT. THE EMISSIONS BURNER WAS BEING WORKED ON 11/21/2012 AT THIS TIME THE PREVIOUS NOISE ISSUE HAS NOT BEEN DETECTED.

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: IRRIGATED

Comment: _____

1003a. Debris removed? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? Pass CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Pass CM _____

CA _____ CA Date _____

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

CA _____ CA Date _____

Guy line anchors removed? Pass CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

1003b. Area no longer in use? _____ 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? _____

Production areas have been stabilized? Pass Segregated soils have been replaced? Pass

RESTORATION AND REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

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: IRRIGATED _____

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Other | Pass | Ditches | Pass | CM | Pass | |

Inspector Name: PRECUP, JIM

S/U/V: Satisfactory Corrective Date: _____

Comment: _____

CA: _____

COGCC Comments

| Comment | User | Date |
|---|---------|------------|
| THIS WELL IS ASSOCIATED WITH A NOISE COMPLAINT IT HAS VOC BURNERS MANUFACTURED BY CIMMARON THAT ARE CURRENTLY ADJUSTED AND NOT MAKING NOISE. pREVIOUSLY THEY WERE NOISY. THE BATTERY SITE IS HOWEVER HAVING PROBLEMS WITH RELEASES FROM THE THIEF HATCH AND CHECK VALVES ON THE CRUDE OIL TANKS | precupj | 11/27/2012 |