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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: 03/19/2013

Document Number: 670500606

Overall Inspection: **Violation**

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|----------------------|---|-------------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ |
| | <u>423790</u> | <u>423795</u> | <u>MONTOYA, JOHN</u> | | |

Operator Information:

OGCC Operator Number: 8960 Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANY LLC

Address: 410 17TH STREET SUITE #1400

City: DENVER State: CO Zip: 80202

Contact Information:

| Contact Name | Phone | Email | Comment |
|----------------|--------------|--------------------|----------------|
| Kerry, McCowen | 303-882-0649 | kam@BonanzaCrk.com | Vice President |
| Jones, Alan | 661-444-0999 | jaj@bonanzacrk.com | |

Compliance Summary:

QtrQtr: NENE Sec: 17 Twp: 5N Range: 62W

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | |
|-------------|------|--------|-------------|------------|-----------|----------------|-------------------------------------|
| 423780 | WELL | PR | 09/29/2011 | GW | 123-33716 | Antelope 41-17 | <input type="checkbox"/> |
| 423781 | WELL | PR | 10/10/2011 | GW | 123-33717 | Antelope 32-17 | <input type="checkbox"/> |
| 423782 | WELL | XX | 06/24/2011 | LO | 123-33718 | Antelope Q-17 | <input type="checkbox"/> |
| 423790 | WELL | PR | 09/29/2011 | GW | 123-33726 | Antelope 42-17 | <input checked="" type="checkbox"/> |
| 423793 | WELL | PR | 11/30/2011 | | 123-33728 | Antelope 31-17 | <input type="checkbox"/> |

Equipment: Location Inventory

| | | | |
|------------------------------|-------------------------|----------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: <u>5</u> | Production Pits: _____ |
| Condensate Tanks: <u>4</u> | Water Tanks: _____ | Separators: <u>2</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: <u>1</u> | Oil Tanks: _____ | Dehydrator Units: _____ |
| Multi-Well Pits: _____ | Pigging Station: _____ | Flare: _____ | Fuel Tanks: _____ |

Location

Signs/Marker:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|------------|-----------------------------|---------------------|---|-------------------|
| CONTAINERS | Satisfactory | | | |
| BATTERY | Satisfactory | | | |
| WELLHEAD | Unsatisfactory | needs wellhead sign | Install sign to comply with rule 210.b. | 04/19/2013 |

| | | | | |
|----------------------|--------------|--|--|--|
| TANK LABELS/PLACARDS | Satisfactory | | | |
|----------------------|--------------|--|--|--|

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

Comment: _____

Corrective Action: _____

Good Housekeeping:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|------------------|-----------------------------|--|-----------------------------------|------------|
| UNUSED EQUIPMENT | Unsatisfactory | fittings on location, frac tank not in use | needs picked up, frac tank unhook | 04/19/2013 |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|-----------|------|-----------|----------------------------------|------------|
| Crude Oil | Tank | <= 5 bbls | oily pea gravel needs cleaned up | 04/19/2013 |

Multiple Spills and Releases?

Equipment:

| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|-----------------------------|---|-----------------------------|---------------|-------------------|---------|
| Bird Protectors | 3 | Satisfactory | | | |
| Horizontal Heated Separator | 1 | Satisfactory | | | |
| Plunger Lift | 1 | Satisfactory | | | |
| Emission Control Device | 1 | Satisfactory | | | |
| Ancillary equipment | 1 | Satisfactory | chemical pump | | |
| Gas Meter Run | 2 | Satisfactory | | | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------------|---|-----------|---------------------|--------|
| PRODUCED WATER | 2 | <100 BBLS | CONCRETE SUMP/VAULT | , |

S/U/V: **Unsatisfactory** Comment: no capacity on water cement tank

Corrective Action: needs capacity on cement tank Corrective Date: 04/19/2013

Paint

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

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------|----------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate |

| | | | |
|-------------------|--|-----------------|--|
| Corrective Action | | Corrective Date | |
| Comment | | | |

| | | | | | |
|--------------------|-----------------------------|-----------------------------------|---------------------|-----------------------|--|
| Facilities: | | <input type="checkbox"/> New Tank | Tank ID: _____ | | |
| Contents | # | Capacity | Type | SE GPS | |
| CRUDE OIL | 4 | 400 BBLS | STEEL AST | 40.243160,-104.000000 | |
| S/U/V: | Comment: | | | | |
| Corrective Action: | | | | Corrective Date: | |
| Paint | | | | | |
| Condition | Adequate | | | | |
| Other (Content) | _____ | | | | |
| Other (Capacity) | _____ | | | | |
| Other (Type) | _____ | | | | |
| Berms | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate | |
| Corrective Action | | | | Corrective Date | |
| Comment | | | | | |
| Venting: | | | | | |
| Yes/No | Comment | | | | |
| NO | | | | | |
| Flaring: | | | | | |
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date | |
| Ignitor/Combustor | Satisfactory | | | | |

Predrill

Location ID: 423795

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: 423790 Type: WELL API Number: 123-33726 Status: PR Insp. Status: PR

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: RANGELAND

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? 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? Pass

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 Pass 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: _____

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: _____