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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: <u>03/26/2013</u> | | | | | | | |

| | | | | |
|---------------------|------------------------------|-------------------------|--|---|
| Location Identifier | Facility ID <u>428681</u> | Loc ID <u>428680</u> | Inspector Name: <u>LABOWSKIE, STEVE</u> | On-Site Inspection <input type="checkbox"/> |
| | | | 2A Doc Num: _____ | |

Document Number:
669400524

Overall Inspection:
Satisfactory

Operator Information:

OGCC Operator Number: 46685 Name of Operator: KINDER MORGAN CO2 CO LP

Address: 17801 HWY 491

City: CORTEZ State: CO Zip: 81321

Contact Information:

| Contact Name | Phone | Email | Comment |
|--------------|-----------------------------------|------------------------------|-------------------------------------|
| Clayton, Bob | (970) 882-5507/ (303) 585-1309 | bob_clayton@kindermorgan.com | Operations Superintendent (Dolores) |

Compliance Summary:

QtrQtr: TR 38 Sec: 1 Twp: 37N Range: 19W

Inspector Comment:

Pre-drilling inspection. Soil segregation and initial construction stormwater BMPs were appropriate for this location. Several large wood/debris piles on north end of disturbance, manager on site stated that landowner was going to take some of it as firewood.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | |
|-------------|------|--------|-------------|------------|-----------|---------------|---|
| 428681 | WELL | XX | 04/26/2012 | LO | 083-06700 | HE 6 | X |
| 429156 | PIT | | 06/06/2012 | | - | HE 6 | |

Equipment: Location Inventory

| | | | |
|-----------------------------|-------------------------|---------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: <u>2</u> | Wells: <u>1</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: <u>2</u> | Separators: _____ | Electric Motors: _____ |
| Gas or Diesel Motors: _____ | 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: <u>1</u> |

Location

Lease Road:

| Type | Satisfactory/Unsatisfactory | comment | Corrective Action | Date |
|--------|-----------------------------|--------------------|-------------------|------|
| Main | Satisfactory | | | |
| Access | | under construction | | |

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

Comment: not required at this point of operation

Corrective Action: _____

Spills:

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

| Type | Area | Volume | Corrective action | CA Date |
|------|------|--------|-------------------|---------|
|------|------|--------|-------------------|---------|

Multiple Spills and Releases?

| Venting: | |
|-----------------|---------|
| Yes/No | Comment |
| | |

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

Predrill

Location ID: 428680

Site Preparation:

Lease Road Adeq.: Satisfactory Pads: Satisfactory Soil Stockpile: Satisfactory

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

| Group | User | Comment | Date |
|-------|-----------|--|------------|
| OGLA | kubeczkod | <p>SITE SPECIFIC COAs:</p> <p>Either a lined drilling pit or closed loop system must be implemented.</p> <p>Production pit or any other pit constructed to hold fluids or salt based cuttings must be lined.</p> <p>The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts prior to offsite disposal.</p> <p>No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.</p> <p>Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals, and maintained in good condition.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.</p> <p>If the well is to have hydraulic fracturing treatment, then flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>All personnel must be H2S trained and proper air monitoring for H2S must be implemented during drilling, completion, and production operations. Emergency response plan for H2S must be onsite at all times.</p> | 03/26/2012 |

Comment:

CA:

Date: _____

Wildlife BMPs:

| BMP Type | Comment |
|-----------------------------|---|
| Storm Water/Erosion Control | If BMPs for the access road are needed, the stormwater inspector will recommend them at a later date. |
| Storm Water/Erosion Control | Two hundred feet of fiber wattles will be installed around the northeast corner of the well pad |
| Storm Water/Erosion Control | Disturbed portions of the well pad not necessary for operation and maintenance of the well will be re-contoured and roughened to blend into the surrounding terrain. In addition, a landowner approved seed mix will be applied at the appropriate time using seeding and mulching methods outlined in the RSWMP. |

Comment:

CA:

Date: _____

Stormwater:

| | | | |
|--------------|---------|------------|---------|
| Erosion BMPs | Present | Other BMPs | Present |
| WADDLES | Yes | | |

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: _____
 Other BMPs: _____

Comment: soil segregated and marked, loose soils rolled/compacted. Pad and leae road still being compacted.

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: 428681 Type: WELL API Number: 083-06700 Status: XX Insp. Status: ND

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: DRY LAND, 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: DRY LAND, RANGELAND

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Inspector Name: LABOWSKIE, STEVE

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 | | | | | | |
| Waddles | Pass | | | | | |

S/U/V: Satisfactory Corrective Date: _____

Comment: _____

CA: _____

| Permit: | Facility ID | Permit Num | Expiration Date |
|---------|-------------|------------|-----------------|
| | 429156 | 400254793 | |

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| Note: location under construction at time of inspection. | labowsks | 03/29/2013 |