

FORM INSP <small>Rev 05/11</small>	State of Colorado				DE	ET	OE	ES	
	Oil and Gas Conservation Commission				Inspection Date: <u>04/16/2013</u>				
<small>1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109</small>				Document Number: <u>670200350</u>					

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	<input type="checkbox"/>
<u>288422</u>	<u>336028</u>	<u>BURGER, CRAIG</u>	<u>288422</u>	2A Doc Num:	<u> </u>

Unsatisfactory

Operator Information:

OGCC Operator Number:	<u>10079</u>	Name of Operator:	<u>ANTERO RESOURCES PICEANCE LLC</u>
Address:	<u>1625 17TH ST STE 300</u>		
City:	<u>DENVER</u>	State:	<u>CO</u>
		Zip:	<u>80202</u>

Contact Information:

Contact Name	Phone	Email	Comment
Bleil, Robert	720-425-0303	rbleil@ursaresources.com	Regulatory and Environmental Manager
Kellerby, Shaun		Shaun.Kellerby@state.co.us	NW Field Supervisor

Compliance Summary:

QtrQtr:	<u>NESW</u>	Sec:	<u>8</u>	Twp:	<u>6S</u>	Range:	<u>92W</u>
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
<u>12/10/2010</u>	<u>200287114</u>	<u>PR</u>	<u>ND</u>	<u>S</u>			<u>N</u>

Inspector Comment:

Unsatisfactory due to pipe storage, 8 unused rolloff tanks with inadequate berm, and a sundry for the conductor pipe is not on file. API # 045-13105 is a capped conductor pipe above grade. API # 045-13284 is a gravel backfilled cellar with no indication of a well. API # 045-14601 wellhead sign at location of gravel backfilled cellar. API # on sign is incorrect. The COGCC Conductor Pipe Setting policy requires a Sundry Notice, Form 4 providing a description of the current well construction and schedule of plans for future operations within 30 days following the end of drilling operations on a multiple well pad.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
287951	WELL	XX	06/01/2012	LO	045-13105	River Ranch C1	X
288420	WELL	XX	06/01/2012	LO	045-13286	River Ranch C3	X
288421	WELL	XX	06/01/2012	LO	045-13285	River Ranch C4	X
288422	WELL	XX	06/01/2012	LO	045-13284	River Ranch C5	X
288423	WELL	XX	04/19/2012	LO	045-13283	River Ranch C-1H	X
296974	WELL	PR	10/26/2008	GW	045-16241	RIVER RANCH C9	X

Equipment:

Location Inventory

Special Purpose Pits: <u> </u>	Drilling Pits: <u> </u>	Wells: <u>6</u>	Production Pits: <u> </u>
Condensate Tanks: <u>2</u>	Water Tanks: <u>4</u>	Separators: <u>4</u>	Electric Motors: <u> </u>
Gas or Diesel Mortors: <u> </u>	Cavity Pumps: <u> </u>	LACT Unit: <u>1</u>	Pump Jacks: <u> </u>
Electric Generators: <u> </u>	Gas Pipeline: <u>1</u>	Oil Pipeline: <u>1</u>	Water Pipeline: <u>1</u>
Gas Compressors: <u> </u>	VOC Combustor: <u>1</u>	Oil Tanks: <u> </u>	Dehydrator Units: <u> </u>
Multi-Well Pits: <u> </u>	Pigging Station: <u>1</u>	Flare: <u> </u>	Fuel Tanks: <u> </u>

Location

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
BATTERY	Satisfactory			
TANK LABELS/PLACARDS	Unsatisfactory	8 rolloff tanks without volume labels. Some do not have placards.	Install sign to comply with rule 210.d.	05/03/2013
WELLHEAD	Unsatisfactory	API # 045-14601 is not the correct number.	Install sign to comply with rule 210.d.	05/03/2013

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

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
STORAGE OF SUPL	Unsatisfactory	Unused pipe, a light plant, and rolloff tanks with hatches open.	Keep locations free of unused equipment and vehicles per rule 603.j.	05/03/2013

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		
SEPARATOR	Satisfactory	cattle panel		
WELLHEAD	Satisfactory	cattle panel		

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Horizontal Heated Separator	1	Satisfactory			
Deadman # & Marked	5	Satisfactory			
Bird Protectors	2	Satisfactory			
Emission Control Device	1	Satisfactory	could not verify pilot light was lit		
Pig Station	1	Satisfactory			
Ancillary equipment	1	Satisfactory	descaler unit		
Plunger Lift	1	Satisfactory			
Gas Meter Run	1	Satisfactory			
Gathering Line	1	Satisfactory			

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	300 BBLS	STEEL AST	,
S/U/V:	Satisfactory	Comment:	same berm as condensate	
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
Corrective Action				Corrective Date
Comment				

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
CONDENSATE	1	300 BBLS	STEEL AST	39.539610, -107.692860
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
Metal	Adequate	Walls Sufficent	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
OTHER	8	OTHER	OTHER	39.540610,-107.692040
S/U/V:	Unsatisfactory		Comment: Hatches open.	
Corrective Action:	Keep gauge hatches closed.			Corrective Date: 05/03/2013
Paint				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Sufficient	Base Sufficient	Inadequate
Corrective Action	Provide adequate berm or remove tanks if not used for production.			Corrective Date 05/03/2013
Comment	Berm is inadequate.			
Venting:				
Yes/No	Comment			
NO				
Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Ignitor/Combustor	Satisfactory	Could not verify if pilot light is lit.		

Predrill

Location ID: 336028

Site Preparation:

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

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkod	<p>SITE SPECIFIC COAs:</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 be hydraulically stimulated, 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>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. At the time of closure, if drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1.</p>	04/22/2012

Comment: No drilling or completions at time of inspection. Berms for rolloff tanks is inadequate.

CA:

Date: _____

Wildlife BMPs:

BMP Type	Comment
Planning	<p>PLANNING INFRASTRUCTURE AND DEVELOPMENT ACTIVITIES:</p> <ul style="list-style-type: none"> • Directional drilling will be implemented to minimize habitat loss and habitat fragmentation • Remote monitoring using SCADA systems to reduce truck traffic, fugitive dust • Water pipeline infrastructure will be installed concurrently with the gas pipeline infrastructure where possible. • SPCC inspections will be conducted quarterly • Water used for well completions will be recycled as practicable • Baseline and post drilling/completion water well testing will be performed for permitted water wells within ½ mile of down-hole location • Annual planning meeting to be conducted with Rifle-Silt-New Castle Community
General Housekeeping	<p>INVASIVE NON-NATIVE VEGETATION CONTROL:</p> <ul style="list-style-type: none"> • Weed management plan will be developed and implemented to monitor and control noxious and invasive weeds • Noxious weed control includes three treatments per year • Existing weed infestations will be mapped prior to the development of each pad, access road and pipeline when practicable • Reclamation/revegetation will be used as a weed management tool
Site Specific	<p>PUBLIC WATER SYSTEM PROTECTION SECTION 317B:</p> <ul style="list-style-type: none"> • Best management practices will be implemented to contain any unintentional releases of fluids for locations within 500 feet of surface water • Locations within 500 feet of surface water will ensure 110 percent secondary containment for any volume of fluids contained at a well site during drilling and completion operations

Storm Water/Erosion Control	<p>STORWATER MANAGEMENT:</p> <ul style="list-style-type: none"> • Facilities will be operated with a Water Quality Control Division (WQCD) stormwater construction permit. • Stormwater BMPs in accordance with the Stormwater Management Plan will be implemented in a manner that minimizes erosion, transport of sediment offsite, and site degradation. • Inspections will be conducted every two weeks or monthly and in accordance with WQCD General Permit to confirm that applicable BMPs are in place, maintained and functioning properly.
Drilling/Completion Operations	<p>DRILLING AND PRODUCTION:</p> <ul style="list-style-type: none"> • No reserve, drill cuttings or frac/flowback pits will be constructed • Well pads will be constructed with perimeter berm on downslope area • Well pads, access roads will be graveled to reduce fugitive dust, sediment run-off • Above-ground facilities will be located to minimize visual effects (e.g. production tanks will be low profile tanks and painted to mitigate visual impacts.) • Combustor controls will be used to mitigate odors from production tanks • Well completions will utilize flowback completion technologies and/or flares to reduce odors from plug drillout, and venting of salable and non-salable gas • High level alarms will be installed on production tanks • Production tank containment area will be lined with plastic
Wildlife	<p>MITIGATION PLAN BEST MANAGEMENT PRACTICES:</p> <ul style="list-style-type: none"> • Closed loop (pitless) drilling system. • Participation in raptor and other birds (great blue heron) monitoring and surveying with protocol to be developed by CDOW and implemented by Antero when practicable. • Buried water and gas pipelines as means to reduce truck traffic. • Seasonal raptor RSOs for species not included in new COGCC rules will be considered where practicable. • Avoidance/seclusion area in the northeast corner of the CDP (Burning Mountain) unless lease expiration warrants development. • Restricted rig operation to less than 2 per section within the big game seclusion areas during the winter (to be determined in consultation with CDOW). • Maintaining a ¼ mile no surface occupancy buffer around active bald eagle nests. • New pad construction not to exceed 3 acres. • Pad density not to exceed 1 pad per 120 acres. • Bury all gas and water pipelines adjacent to roads whenever possible. • The mitigation opportunities/projects will be defined by the Mitigation Plan for each well pad. • The mitigation opportunities/projects will be determined cooperatively with the CDOW during the annual Antero Mitigation Plan Review. • CDOW Actions to Minimize Adverse Impacts to Wildlife Resources is attached to the March 22, 2010 Mitigation Plan

Comment: Remote monitoring equipment on well.

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: <u>287951</u>	Type: <u>WELL</u>	API Number: <u>045-13105</u>	Status: <u>XX</u>	Insp. Status: <u>UN</u>
Facility ID: <u>288420</u>	Type: <u>WELL</u>	API Number: <u>045-13286</u>	Status: <u>XX</u>	Insp. Status: <u>UN</u>
Facility ID: <u>288421</u>	Type: <u>WELL</u>	API Number: <u>045-13285</u>	Status: <u>XX</u>	Insp. Status: <u>UN</u>
Facility ID: <u>288422</u>	Type: <u>WELL</u>	API Number: <u>045-13284</u>	Status: <u>XX</u>	Insp. Status: <u>UN</u>
Facility ID: <u>288423</u>	Type: <u>WELL</u>	API Number: <u>045-13283</u>	Status: <u>XX</u>	Insp. Status: <u>UN</u>
Facility ID: <u>296974</u>	Type: <u>WELL</u>	API Number: <u>045-16241</u>	Status: <u>PR</u>	Insp. Status: <u>PR</u>

Producing Well

Comment:

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): Y
 Comment: Could not verify if pilot was lit.

Pilot: Wildlife Protection Devices (fired vessels): YES

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? Fail CM CA CA Date Remove unused equipment. CA Date 05/03/2013 Pit, cellars, rat holes and other bores closed? Pass CM CA CA Date Guy line anchors removed? CM CA CA Date Guy line anchors marked? Pass 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:

- Well plugged Pit mouse/rat holes, cellars backfilled Debris removed No disturbance /Location never built

Inspector Name: BURGER, CRAIG

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
Gravel	Pass	Waddles	Pass			
Blankets	Pass	Culverts	Pass			
Waddles	Pass	Ditches	Pass			

S/U/V: Satisfactory Corrective Date: _____

Comment: _____

CA: _____