Inspector Name: HICKEY, MIKE

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

FIELD INSPECTION FORM

DE	ET	OE	ES

Inspection Date: 06/06/2013

Document Number: 667601393

Overall Inspection: **Unsatisfactory**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	251856	330804	HICKEY, MIKE	☐	

Operator Information:

OGCC Operator Number: 100185 Name of Operator: ENCANA OIL & GAS (USA) INC

Address: 370 17TH ST STE 1700

City: DENVER State: CO Zip: 80202-

Contact Information:

Contact Name	Phone	Email	Comment
HARRISON, MATHEW		Matthew.Harrison@encana.com	ENCANA RECLAMATION EAST

Compliance Summary:

QtrQtr: SWSE Sec: 26 Twp: 2N Range: 68W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/18/2011	200294213	PR	PR	U			Y
04/12/2002	200025716	PR	PR	S		P	N
02/05/1999	500179134	PR	PR			F	Y
08/11/1998	500179133	DG	ND			P	N

Inspector Comment:

Follow up inspection of API #05-123-19661, Sullivan #34-26 et al three well location. Oil stained soils at the wellheads require remediation/removal.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
251856	WELL	PR	02/17/1999	OG	123-19661	SULLIVAN 34-26	X
413140	WELL	PR	10/06/2011	GW	123-30600	SULLIVAN 4-6-26	X
413141	WELL	PR	11/28/2011	GW	123-30601	SULLIVAN 6-8-26	X

Equipment: Location Inventory

Special Purpose Pits:		Drilling Pits:	1	Wells:	2	Production Pits:	
Condensate Tanks:		Water Tanks:	1	Separators:	2	Electric Motors:	
Gas or Diesel Mortors:	7	Cavity Pumps:		LACT Unit:		Pump Jacks:	
Electric Generators:	2	Gas Pipeline:	1	Oil Pipeline:		Water Pipeline:	
Gas Compressors:		VOC Combustor:	1	Oil Tanks:	1	Dehydrator Units:	
Multi-Well Pits:		Pigging Station:		Flare:		Fuel Tanks:	

Location

Inspector Name: HICKEY, MIKE

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	Satisfactory			
WELLHEAD	Satisfactory			
BATTERY	Unsatisfactory		Install sign to comply with rule 210.d.	**08/01/2013**

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

Comment:

Corrective Action:

Spills:				
Type	Area	Volume	Corrective action	CA Date
Condensate	WELLHEAD	<= 5 bbls	Repair leaks and remove/remediate oil stained soils at the wellheads.	08/01/2013

☐ Multilple Spills and Releases?

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Satisfactory			
SEPARATOR	Satisfactory			
TANK BATTERY	Satisfactory			

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Plunger Lift	3	Satisfactory			
Bird Protectors	3	Satisfactory			
Horizontal Heated Separator	2	Satisfactory			
Emission Control Device	1	Satisfactory			
Gas Meter Run	1	Satisfactory			

Inspector Name: HICKEY, MIKE

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	OTHER	PBV FIBERGLASS	,

S/U/V:	Satisfactory	Comment:	

Corrective Action:		Corrective Date:	

Paint

Condition	Adequate

Other (Content) _____

Other (Capacity) 150 Bbl.

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action		Corrective Date	
Comment			

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CONDENSATE	2	300 BBLS	STEEL AST	40.104000,104.969890

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
Metal	Adequate	Walls Sufficent	Base Sufficient	Adequate

Corrective Action		Corrective Date	
Comment			

Venting:	
Yes/No	Comment
NO	

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 330804

Site Preparation:

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

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

Form 2A COAs:

Comment:

CA: **Date:**

Wildlife BMPs:

BMP Type	Comment
PROPOSED BMPs	The following BMP's describe the method and manner in which the management and support staffs conduct drilling /completions operations in the Denver — Julesburg Basin in development and production of oil and gas These activities are divided into major categories starting with "Planning" and ending with "Final Reclamation" • Initial Site Inspection — Once geology has selected a bottom hole location for the drilling of a well with a specific legal description, individuals from land, drilling /completions, production, EHS, and construction meet at the proposed well ite with the landowner or his agent to assess the feasibility of the site and identify any special conditions appurtenant to the site that will need to be addressed during the drilling, completion, and production of the well During this initial site inspection, a determination is made for the configuration and route of the flow line from the well head to the production facility and the location of theproduction facility • In- House /Field Checklist - Prior to the initial site inspection an "In- House /Field Checklist" document is prepared by the land department describing the name of the well and other physical and technical data related to the well, a number of legal and regulatory provisos, and a check off list for each department or operating group to review and sign This checklist is emailed to the departments or individuals with sign off responsibility Once an In- House /Field Checklist is completed, the permitting department initiates the required permitting process to clear the well project for implementation (drilling, completion, production). • Site Specific BMP's are Established — As a result of the "Initial Site Inspection" the drilling, construction, production, and EHS coordinators jointly develop a number of BMP's to be installed or implemented encompassing the construction to reclamation phase of the well project Some of the BMP's precede construction activities, some BMP's are installed or implemented during one or mre of the operational phases, with some BMP's addressing the reclamation phase of the well project • SWMP Contractor Site Inspection — Prior to the construction of the drilling pad, a member of the EHS staff inspects the proposed drilling location and conducts a second and more specific assessment of the site determining the potential impact for soil erosion, sediment migration, as well as identifying flow gradients, buffer vegetation, and storm water impacts • Create SWMP Supplement Documents - From this on -site assessment, the SWMP technician prepares a SWMP supplement plan including site drawings describing the various storm water BMP controls and practices to be adhered to dunng the active life of the site During the life of the well site, a storm water technician inspects the site every 14 days and /or after every storm event involving a 1 inch rain /24 hours These scheduled inspections are recorded on a SWMP database for audit purposes • Community Relations - a member of the community relations staff collaborates with members of the regulatory, land, drilling, construction, production, and EHS staffs to assess and identify any potential impacts to the public as a result of any phase of the drilling, completion, and production phases of the well development Based on this assessment and determination, the community relations staff makes recommendations to ensure a minimization of the impact of the well operation on the public sector • Configuration of Rig Equipment is Determined — Based on the assessment process for impacting the public sector, the drilling, construction, EHS staffs meet to determine the configuration of the drilling rig that will minimize such impacts as sound, light, traffic on the public sector • Develop a Grading Plan for Lease Road(s) and the Drilling Pad — Prior to construction of the lease road(s) and drilling location, members of the drilling, construction, and EHS staff will meet and develop a grading plan to address any storm water, site flow gradient, surface use, or traffic patterns This planning event may need to take place prior to the completion of the Permitting process as some plans may be required to be prepared and submitted several weeks (months) in

	advance of the issuance of an actual construction permit Once the Plan has been developed and permitted changes may not be made without major delays in permit modification • Silt Fences Around Location and Lease Road — With few except BMP, EnCana chooses to erect perimeter silt fencing controls around sides of a drilling location In addition, both sides of the access road are controlled with silt fencing as well The silt fencing not only serves as an erosion control structure but also aids in restricting traffic to the drilling location footprint and minimizes unnecessary impacts to the surface area adjacent to a drilling pad • Drilling Pad Berm Perimeter — Once the drilling location has been graded level for the drilling equipment, a motor grader pulls a vee ditch around the perimeter of the drilling location creating both a Vee ditch and an exterior berm wall This two -fold structure represents a BMP control to prevent the intrusion of off -site storm water from entering the dulling location while containing storm water on the drilling location site • Properly Designed Culverts - on drill sites where efficient storm water drainage and discharge controls are required to maintain a stable lease road access, temporary or permanent culverts may be installed strategically in one or more drainage structures to ensure efficient run off of storm water during significant rain events The size and length of these culverts will depend on site - specific conditions as determined by the construction staff • Water Diversions on Upslope Side of Dnllmg Pad - On drilling locations where a significant slope (> 5 %) is present above the drilling location, additional water diversion berms and Vee ditches will be installed to prevent the intrusion of off - site storm water on to the dulling location • Hydro -mulch Soil Spoils Piles: Construction of the drilling location requires the separation of the A, B, and C zone soils into separate spoils piles as per COGCC regulations These spoils piles are then dozer tracked for compaction (when possible) and surfaced coated with a biodegradable polymer /fiber hydro -mulch to minimize sod erosion • Rig Ditching System — Based on the rig template for the sub - structure, front and back yard equipment, shallow 6 inch wide trenches are excavated around all of the surface equipment and integrated into a drainage system that eventually drains into the well head cellar where the collected fluids are pumped into the mud circulating system This rig ditching system is installed on all drilling
PROPOSED BMPs	• One Call — The service contractor who will construct the drilling location will place an 811 call for utility locates prior to breaking ground at the site The locate services has 72 hours to respond to locate any existing utilities at the site If a utility locate interferes with the well head stake, the stake is moved a safe distance away from the utility and the construction of ditches and pits are modified or re- configured accordingly Each and every contractor which will be breaking ground in any fashion is required to call for line locates (811) prior to any excavation Line locates are valid for thirty (30) days and line locates are not transferable After thirty days (which may be applicable for some pad locations) "refresher" locate calls must be made to allow for new locates prior to the earth moving required to reclaim the location • Existing Wellhead Protection — At sites where existing wellheads or production facilities exist, protective measures are taken to protect the wellhead and the production equipment Concrete barricades are placed on all four sides of the wellhead with an iron cage installed over the top of the wellhead to protect it from any falling or moving objects The production facilities, by regulation must be a minimum distance from the wellhead All existing production facilities _are protected with concrete barricades if their location indicates a risk of damage during the drilling operation • Portable Toilets /Trash Bins — Prior to construction of the drilling location, a service contractor delivers and locates a suitable number of portable toilets (depending on the rig crew size) and a covered trash bin in accordance with EnCana's Health and Hygiene guidelines The portable toilets and trash bin will remain at the location until all E & P operations are concluded and the site is reclaimed • Water /Reserve Pit Safety Fencing - orange safety fencing is installed around the three sides of the water pit and the reserve pit to prevent rig hands or 3 parties from accidentally falling into one of the pits The side of the two pits nearest the rig must remain open to allow for access to the pits 3 party access to the drilling locations is limited

• Site Retention Pond Structure - The grading plan for the location is described previously in this document However, when a dulling location is located on slopes exceeding 5 %, the drilling location may be constructed with a 0 5 % slope to a down gradient corner where a small retention pond will be constructed to collect surface

• Conduct Pre -Spud Meeting — Prior to drilling the surface hole, a pre -spud meeting is convened involving all of the service contractors and EnCana personnel who will be involved with the drilling of the well Any failure to comply with existing safety and environmental compliance rules and /or policies will automatically trigger the convening of a pre -spud meeting to re- enforce EnCana's compliance policies

• Review Safety Procedures Before Rig Move - The assigned drilling supervisor and /or the assigned EnCana drilling /completion Lead and /or the EHS staff member will convene a brief tailgate safety meeting with the drilling contractor management and crews to review established safety procedures during the rig move and rig up These meetings should be documented on a safety meeting attendance form and filed for future reference

• Pre Rig Move Route Inspection — the drilling contractor's rig pusher will make a dry run of the route to be used to move the rig It will be the responsibility of the rig contractor to assure that the rig can and will be moved in a manner that does not endanger the general public EnCana will require a document indicating that the rig contractor has complied with the tenants of this BMP It shall be the responsibility to ensure that the proper traffic controls are in place before any movement of heavy equipment to or from an EnCana location This shall include but not be limited to

1 Spotters and Traffic Control

2 Flagging Crews

• Review Drilling Plan and Contractor Support Functions — The EnCana drilling supervisor or well site consultant shall be responsible for reviewing the drilling plan and the contractor support functions The well site supervisor is responsible for everything that occurs on the drilling location under his supervision Under OSHA rules, the well site supervisor is the "controlling person" on the location

• Review SWMP BMP and Control Structures — Once the drilling rig has been moved and rigged up on the new location, the Storm Water technician will re -visit the drilling location to ensure that all storm water BMP controls have been installed and are functional and not damaged during the move in and rig up operation A follow -up site drawing may be prepared to reflect any changes or additions to the SWMP BMP's and /or controls This second inspection is documented on the SMWP database for future reference

• Daily JSA Meetings — The rig manager and crew will conduct daily tailg meetings an accordance with the rig contractor's BMP and in accordance with EnCana's BMP These tailgate safety meetings will be documented by the manager for each rig operated for EnCana Written records of these meetings will be maintained by the rig manager Thi s and other rig safety compliance programs will be periodically audited by the EnCana EHS staff

• Well Control Drill Conducted Weekly - In accordance with the ng contractor's safety program and EnCana's rig safety guidelines, the rig manager and crew will conduct weekly BOP drills These drills will be documented in the rig's safety log for review and audit purposes

• Reserve Pit Free Board — In accordance with COGCC Rule No 902 c, during the drilling operation, EnCana's well site supervisor and the rig contractor shall manage reserve pit fluid levels in a manner that provides a minimum of 2 feet of free board described as the top edge of the reserve pit to the surface of the fluid If the EnCana well site supervisor or the ng manager determines that the pit level may rise above the free board, they will take immediate action to remove fluid from the pit The EnCana well site supervisor shall ensure that the mud tank fluid level indicator is functional and operating Rig Signage Requirements — It shall be the responsibility of the EnCana well site supervisor and the assigned rig manager to assure that the proper signage is installed at the entrance to the lease road or at the edge of the drilling location inaccordance with the COGCC rules and regulations _ At a minimum the following signage shall be posted

PROPOSED BMPs	1. Rig Identification Sign 2. Name, Number, and Legal Description of the drilling location 3. EnCana advisement that all persons and vehicles are subject to search by dogs for alcohol, drugs, and firearms 4. SWMP sign providing contact information for the public 5 Signage limiting access to the drilling location by the public • Emergency Response Activities at the Drilling Rig — In addition to the EnCana sub - business unit's Emergency Response Plan, each drilling rig will perform, at a minimum, the follow ER drills and /or exercises 1 Conduct tabletop drills involving local emergency response units at a minimum of two times each year 2 At all times maintain a current EnCana Emergency Notification Chart in the doghouse, the rig manager's trailer and the EnCana well site supervisor's trailer Mud Tracking Controls for Rig Related Trucking — As noted in the "Construction" section of this document, each lease road servicing a drilling rig and subsequent completion operations (logging /perforation, frac ops, well completion) will be provided with adequate mud tracking control structures including but not limited to a gravel wash out area for removing mud from the wheel of service trucks and a crushed asphalt pathway to minimize mud tracking on to public roads When ever the EnCana well site supervisor determines that a potential exists for tracking mud on to a public road from an EnCana location, it shall be the responsibility of the well site supervisor to make arrangements for the washing of truck wheels tracking on the public roads • Flow Back Operations — please refer to EnCana's "Well Completion specific information regarding well flow back procedures and protocol • The reserve pit fluids and solids will be removed and the pit backfilled and leveled within 5 days after the moving the drilling rig from the location The drilling mud and drill cuttings will be removed from the reserve pit and land spread by a service contractor at a surface location where the surface owner has agreed to the land spreading of the mud and cuttings on his surface as provided under COGCC Rule No 907 d 3B The service contractor shall provide EnCana with a copy of the written agreement with the surface owner This pit closure dead line is to provide subsequent well service activities better accessibility and to minimize the risks associated with leaving a reserve pit open and unattended This is an established BMP. • Restoration of "A" Soil Zone — After the surface of the drilling location is graded to its original contour, the "A soil (top soil) is graded back over the surface of the impacted area The entire impacted surface area is then to a depth of 18 inches to relieve soil compaction • Re- Seeding of the Surface Area — if the surface area vegetation is a permanent irrigated or dry and pasture, the impacted surface area will be prepared for a seed bed The selected grass seed mix will be drilled into the top soil with wheat straw disced into the top soil to provide stability to the seed bed and to minimize soil erosion A hydro -mulch cover may be applied as a surface coating to further minimize soil erosion as the seed germinates and a vegetative growth is established Under the SWMP rules, the site will continue to be inspected every 30 days until 70 % re- vegetation is achieved • Restoration of Cultivated Surface Areas — Cultivated surface areas will be restored in the same manner described for pasture lands except no re- seeding is required As soon as the impacted area is returned to its original grade, the silt fencing is removed to allow the farmer to cultivate the impacted surface area as he chooses All other SWMP BMP's will remain intact until no further required

Comment:

CA: **Date:**

Inspector Name: HICKEY, MIKE

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: 251856 Type: WELL API Number: 123-19661 Status: PR Insp. Status: PR

Producing Well

Comment:

Facility ID: 413140 Type: WELL API Number: 123-30600 Status: PR Insp. Status: PR

Producing Well

Comment:

Facility ID: 413141 Type: WELL API Number: 123-30601 Status: PR Insp. Status: PR

Producing Well

Comment:

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment:

Corrective Action: _____ Date: _____

Inspector Name: HICKEY, MIKE

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

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? 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? Pass Production areas stabilized ? Pass

1003c. Compacted areas have been cross ripped? Pass

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? Pass

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 Pass

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: DRY LAND

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
Seeding	Pass	Gravel	Pass			

S/U/V: Satisfactory Corrective Date:

Comment:

CA: