

**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
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Inspection Date:

06/24/2013

Document Number:

668401463

Overall Inspection:

Satisfactory**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection
	<u>284103</u>	<u>334489</u>	<u>BROWNING, CHUCK</u>	<input type="checkbox"/> 2A Doc Num: _____

Operator Information:OGCC Operator Number: 10433 Name of Operator: PICEANCE ENERGY LLCAddress: 1512 LARIMER STREET #1000City: DENVERState: COZip: 80202**Contact Information:**

Contact Name	Phone	Email	Comment
Bankert, Wayne	970-812-5310	wbankert@laramie-energy.com	Senior Regulatory & Environmental Coordinator
Browning, Chuck	970-433-4139	chuck.browning@state.co.us	Field Inspector

Compliance Summary:QtrQtr: SENE Sec: 33 Twp: 9S Range: 93W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/12/2012	668400572	IJ	AC	S	I		N
04/06/2011	200306783	MI	AC	S			N
07/16/2010	200264705	RT	AC	S			N
08/14/2009	200216542	MI	AO	S			N
10/25/2006	200098143	MI	SI	S		P	N
06/21/2006	200097758	DG	ND	S		P	N

Inspector Comment:

UIC-Routine Inspection. Active injection operations during inspection. 1125 psi injection pressure. 7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing. 4-300 bbl steel tanks inside metal berms. 6-500 bbl steel tanks inside concrete berms w/ pump house.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
282733	WELL	PR	06/06/2008	GW	077-09003	VEGA UNIT 34-124	<input checked="" type="checkbox"/>
282734	WELL	PR	01/20/2006	GW	077-09002	VEGA UNIT 34-12	<input checked="" type="checkbox"/>
282735	WELL	PR	01/20/2006	GW	077-09001	VEGA UNIT 33-42	<input checked="" type="checkbox"/>
282736	WELL	PR	03/12/2007	GW	077-09000	VEGA UNIT 33-43	<input checked="" type="checkbox"/>
284103	WELL	IJ	02/06/2013	DSPW	077-09042	VEGA UNIT 34-13D	<input checked="" type="checkbox"/>
285018	WELL	PR	03/09/2007	GW	077-09084	VEGA UNIT 33-431	<input checked="" type="checkbox"/>
285461	WELL	PR	12/12/2012	GW	077-09091	VEGA UNIT 33-441	<input checked="" type="checkbox"/>
285462	WELL	PR	02/05/2007	GW	077-09090	VEGA UNIT 33-421	<input checked="" type="checkbox"/>

Equipment:**Location Inventory**

Inspector Name: BROWNING, CHUCK

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	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: _____

Location

Lease Road:

Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Main	Satisfactory			
Access	Satisfactory			

Signs/Marker:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	Satisfactory			
BATTERY	Satisfactory			
WELLHEAD	Satisfactory			

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

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

Fencing/:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Satisfactory	7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing.		
SEPARATOR	Satisfactory	steel pipe barriers		
TANK BATTERY	Satisfactory	cement barriers at 4-300 bbl tanks		

Equipment:

Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Emission Control Device	1	Satisfactory	connected to 4-300 bbl tanks on S side of pad		
Horizontal Heated Separator	7	Satisfactory	Along SE side of pad		
Gas Meter Run	1	Satisfactory	In SE corner of pad		
Ancillary equipment	1	Satisfactory	Pump house located inside cement berm of 6-500 bbl tankson NE 1/4 of pad		

Facilities:		<input type="checkbox"/> New Tank		Tank ID: _____	
Contents	#	Capacity	Type	SE GPS	
CONDENSATE	4	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	
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	
PRODUCED WATER	6	500 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	
Concrete	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	

Predrill

Location ID: 334489

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: 282733 Type: WELL API Number: 077-09003 Status: PR Insp. Status: PR

Producing Well

Comment: UIC-Routine Inspection. Active injection operations during inspection.
 1125 psi injection pressure.
 7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing.
 4-300 bbl steel tanks inside metal berms. 6-500 bbl steel tanks inside concrete berms w/ pump house.

Facility ID: 282734	Type: WELL	API Number: 077-09002	Status: PR	Insp. Status: PR
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Producing Well

Comment: UIC-Routine Inspection. Active injection operations during inspection.
 1125 psi injection pressure.
 7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing.
 4-300 bbl steel tanks inside metal berms. 6-500 bbl steel tanks inside concrete berms w/ pump house.

Facility ID: 282735	Type: WELL	API Number: 077-09001	Status: PR	Insp. Status: PR
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Producing Well

Comment: UIC-Routine Inspection. Active injection operations during inspection.
 1125 psi injection pressure.
 7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing.
 4-300 bbl steel tanks inside metal berms. 6-500 bbl steel tanks inside concrete berms w/ pump house.

Facility ID: 282736	Type: WELL	API Number: 077-09000	Status: PR	Insp. Status: PR
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Producing Well

Comment: UIC-Routine Inspection. Active injection operations during inspection.
 1125 psi injection pressure.
 7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing.
 4-300 bbl steel tanks inside metal berms. 6-500 bbl steel tanks inside concrete berms w/ pump house.

Facility ID: 284103	Type: WELL	API Number: 077-09042	Status: IJ	Insp. Status: AC
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Underground Injection Control

UIC Violation: _____ Maximum Injection Pressure: _____

UIC Routine

Inj./Tube:	Pressure or inches of Hg 1125	Previous Test Pressure _____	MPP _____
	(e.g. 30 psig or -30" Hg)		Inj Zone: WSTC
TC:	Pressure or inches of Hg 2	Previous Test Pressure _____	Last MIT: 04/06/2011
Brhd:	Pressure or inches of Hg 0	Previous Test Pressure _____	AnnMTReq: _____

Comment: UIC-Routine Inspection. Active injection operations during inspection.
 1125 psi injection pressure.
 7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing.
 4-300 bbl steel tanks inside metal berms. 6-500 bbl steel tanks inside concrete berms w/ pump house.

Method of Injection: PUMP FEED

Test Type: _____ Tbg psi: _____ Csg psi: _____ BH psi: _____

Insp. Status: _____

Comment: _____

Facility ID: 285018	Type: WELL	API Number: 077-09084	Status: PR	Insp. Status: PR
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Producing Well

Comment: UIC-Routine Inspection. Active injection operations during inspection.
 1125 psi injection pressure.
 7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing.
 4-300 bbl steel tanks inside metal berms. 6-500 bbl steel tanks inside concrete berms w/ pump house.

Facility ID: 285461	Type: WELL	API Number: 077-09091	Status: PR	Insp. Status: PR
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Producing Well

Comment: UIC-Routine Inspection. Active injection operations during inspection.
 1125 psi injection pressure.
 7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing.
 4-300 bbl steel tanks inside metal berms. 6-500 bbl steel tanks inside concrete berms w/ pump house.

Inspector Name: BROWNING, CHUCK

Facility ID: 285462 Type: WELL API Number: 077-09090 Status: PR Insp. Status: PR

Producing Well

Comment: UIC-Routine Inspection. Active injection operations during inspection.
1125 psi injection pressure.
7 wellheads inside panel fence. 1 wellhead (IJ) inside metal housing.
4-300 bbl steel tanks inside metal berms. 6-500 bbl steel tanks inside concrete berms w/ pump house.

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: _____

Complaint:

Tracking Num	Category	Assigned To	Description	Incident Date
200108488	ENVIRONM ENTAL DAMAGE	BALDWIN, DEBBIE	<p>LAURA AMOS [LAURA@WINTERHAWK.COM]. DEBBIE,</p> <p>THANK YOU FOR PROMPTLY RETURNING MY PHONE CALL TODAY. WE SPOKE BRIEFLY ABOUT MY CONCERNS OF THE RECENT 150 BARRELL SPILL NEAR VEGA LAKE. IT OCCURRED LESS THAT ¼ FROM THE LAKE, AND DIRECTLY INTO A SMALL STREAM THAT EMPTIES INTO THE LAKE. AS YOU KNOW, I AM ALL TOO FAMILIAR WITH SPILLS, AND OTHER "ACCIDENTS" THAT HAPPEN WITHIN THIS INDUSTRY. I DROVE TO THE LAKE ON SUNDAY TO SEE THE DAMAGE FIRST HAND, AND WAS APPALLED. THE ODORS ARE STILL HORRIBLE. THE SPILL HAPPENED ON AN AREA THAT LOOKED TO ME NOT TO EVEN HAVE A GAS WELL, IT APPEARED TO BE MORE OF A STAGING AREA FOR THE OPERATORS TO STORE EQUIPMENT, TANKS, AND ETC. THERE WAS ABSOLUTELY NO DEVICES TO PREVENT EROSION, WHICH EFFECTIVELY LET THE SPILL FLOW EASILY INTO THE LAKE. PLEASE PROVIDE ME A TRUE COMPLETE LIST OF EXACTLY WHAT SPILLED.</p> <p>ACCORDING TO THE GRAND JUNCTION DAILY SENTINEL IT WAS CONDENSATE. JOHN NUSSBAUMER OF DELTA CLAIMED THAT IT WAS 99.9% WATER, WHICH WE KNOW IS NOT TRUE.</p> <p>ESTIMATED 150 BARRELS OF CONDENSATE SPILLED</p>	03/15/2007

NEAR VEGA RESERVOIR

BY BOBBY MAGILL THE DAILY SENTINEL

TUESDAY, MARCH 20, 2007

AN ESTIMATED 150 BARRELS OF CONDENSATE SPILLED FROM A DELTA PETROLEUM NATURAL GAS WELL PAD AND FLOWED PARTIALLY INTO A DRY IRRIGATION DITCH ON MARCH 15 NEAR VEGA RESERVOIR, ACCORDING TO THE COLORADO OIL AND GAS CONSERVATION COMMISSION.

TRICIA BEAVER, COMMISSION HEARINGS MANAGER, SAID MONDAY THE CONDENSATE SPILL OCCURRED WHEN A WELL PAD RESERVE PIT OVERFLOWED.

JOHN NUSSBAUMER, DELTA PETROLEUM MANAGER FOR ENVIRONMENT, HEALTH AND SAFETY IN DENVER, SAID THE CONDENSATE WAS "99.9 PERCENT WATER," AND DOUBTED THE COMMISSION'S ESTIMATE OF THE VOLUME OF SPILLED LIQUID.

ONCE CLEANUP ON THE CONDENSATE SPILL WAS UNDER WAY, A WATER PUMP ON A NEARBY PAD WAS FOUND TO HAVE LEAKED ABOUT TWO GALLONS OF MOTOR OIL, WHICH LEACHED INTO A NEARBY CREEK, HE SAID.

SO IT LOOKS LIKE THEY ARE SAYING THE CONDENSATE FLOWED INTO THE DRY IRRIGATION DITCH AND 2 GALLONS OF OIL SPILLED INTO THE CREEK.

THE SITE IS A HUGE MESS AND NEEDS FURTHER CLEAN-UP AND OVERSIGHT BY COGCC. WHO FROM THE COGCC HAS BEEN AT THE SITE?

WAS THIS AREA A WELL SITE? MAYBE, BUT THERE WAS SO MUCH EQUIPMENT AND STORAGE TANKS, THAT I COULD NOT SEE A WELLHEAD. PLEASE LET ME KNOW.

WHY WAS THERE NO SILT FENCE OR OTHER FORM OF STORMWATER MANAGEMENT?

THANK YOU DEBBIE

LAURA AMOS

970-487-3011 LAURA AMOS
[LAURA@WINTERHAWK.COM]

Emission Control Burner (ECB): Y

Comment: _____

Pilot: ON Wildlife Protection Devices (fired vessels): YES**Reclamation - Storm Water - Pit****Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment:	
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1003b. Area no longer in use? Pass Production areas stabilized ? Pass

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? Pass

RESTORATION AND REVEGETATION

Top soil replaced Recontoured Perennial forage re-established

Top soil replaced Recontoured 80% Revegetation

Comment:

Final Reclamation/ Abandoned Location:

Final Land Use:

Comment:

Debris removed

No disturbance /Location never built

Gravel removed

Compaction alleviation Dust and erosion control

Weeds present Subsidence

Inspector Name: BROWNING, CHUCK

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
Berms	Pass	Ditches	Pass			
Gravel	Pass	Gravel	Pass	MHSP	Pass	

S/U/V: Satisfactory

Corrective Date:

Comment:

CA: