

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



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Inspection Date:
09/11/2013

Document Number:
670200845

Overall Inspection:
Unsatisfactory

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	<input type="checkbox"/>
	<u>426545</u>	<u>426533</u>	<u>BURGER, CRAIG</u>	2A Doc Num:	

Operator Information:

OGCC Operator Number: 10301 Name of Operator: DEJOUR ENERGY (USA) CORPORATION
 Address: 1401 17TH STREET #850
 City: DENVER State: CO Zip: 80202

Contact Information:

Contact Name	Phone	Email	Comment
Haefele, Gary		ghaefele@dejour.com	
Kellerby, Shaun		Shaun.Kellerby@state.co.us	NW Field Supervisor

Compliance Summary:

QtrQtr: SWSE Sec: 21 Twp: 6S Range: 91W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/11/2013	670200639	DG	WO	S			N
09/10/2012	663800490	XX	DG	S			N

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
426529	WELL	DG	03/27/2013	LO	045-21180	FEDERAL 6/7-14-21	X
426539	WELL	DG	03/29/2013	LO	045-21181	FEDERAL 6/7-15-21	X
426544	WELL	DG	04/03/2013	LO	045-21182	FEDERAL 6/7-13-21	X
426545	WELL	DG	09/07/2012		045-21183	FEDERAL 6/7-16-21	X
427243	WELL	XX	01/06/2012	LO	045-21277	PWD Federal 21-6-91	
430542	PIT		10/22/2012		-	Well Pad 21A	

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: <u>1</u>	Wells: <u>9</u>	Production Pits: <u>1</u>
Condensate Tanks: <u>3</u>	Water Tanks: <u>2</u>	Separators: <u>4</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: _____	Water Pipeline: <u>1</u>
Gas Compressors: _____	VOC Combustor: <u>1</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: <u>1</u>	Flare: _____	Fuel Tanks: _____

Location

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
BATTERY	Satisfactory			
TANK LABELS/PLACARDS	Satisfactory	Tank battery not provided with labels or placards. Battery not yet in use. Temporary tanks have labels and placards.		
WELLHEAD	Unsatisfactory	Wellhead signs at tank battery. Signs need to be at wellheads.	Install signs to comply with rule 210.d.	10/31/2013

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?				

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Vertical Separator	5	Satisfactory	at wellheads for flowback		
Ancillary equipment	1	Satisfactory	Oxygen scavenger at wellheads.		
Bird Protectors	5	Satisfactory			
Emission Control Device	1	Satisfactory			
Gas Meter Run	1	Satisfactory			
Horizontal Heated Separator	4	Satisfactory			
Gathering Line	1	Satisfactory			

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____		
Contents	#	Capacity	Type	SE GPS	
CONDENSATE	4	500 BBLS	HEATED STEEL AST	39.508880,-107.555660	
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 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: 426533

Site Preparation:

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

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczko	<p>SITE SPECIFIC COAs:</p> <p>Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to construction of the pit.</p> <p>A Form 15 Earthen Pit Permit must be submitted to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and approval must be obtained prior to construction of the completion/flowback fluids/production pit.</p> <p>Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of pit and fracing operations.</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</p>	10/07/2011

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 (at least every 14 days), and maintained in good condition.

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.

If there are changes to the pit construction (i.e. changes from the submitted construction layout drawings), then the operator must submit a professional engineer (PE) approved/stamped as-built drawing (plan view and cross-sections) of the completion/flowback/production pit within 30 calendar days of construction.

The completion/flowback fluids/production pit must be fenced and netted. The operator must maintain the fencing and netting until the pit is closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.

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.

A surface water sample from the unnamed stream located to the northeast shall be collected prior to pit use and every 12 months to evaluate potential impacts from pit operations. At a minimum, the surface water samples will be analyze for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/DRO.

Prior to pit closure, operator must submit E&P waste disposal information (if different from the Form 15) via a Form 4 Sundry Notice to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Environmental Supervisor for Western Colorado (alex.fischer@state.co.us)for approval.

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, the drill cuttings must also meet the applicable standards of table 910-1.

The liner in the cuttings pits must be removed and disposed of offsite prior to final disposal of drill cuttings in the pit.

Comment: Drilling and completions finished.Pit fenced and netted.Flowback into 2 850 bbl produced water and 2 500 bbl condensate temporary tanks. Temporary tanks not provided with secondary containment or additional downgradient berming.

CA: Provide secondary containment for flowback tanks. **Date:** 09/27/2013

Wildlife BMPs:

Comment: _____

CA: _____ **Date:** _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
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Corrective Action: _____		Date: _____	
Comments: Erosion BMPs: _____			
Other BMPs: _____			
Comment: _____			
Staking: _____			
On Site Inspection (305):			
<u>Surface Owner Contact Information:</u>			
Name: _____		Address: _____	
Phone Number: _____		Cell Phone: _____	
<u>Operator Rep. Contact Information:</u>			
Landman Name: _____		Phone Number: _____	
Date Onsite Request Received: _____		Date of Rule 306 Consultation: _____	
Request LGD Attendance: _____			
<u>LGD Contact Information:</u>			
Name: _____		Phone Number: _____	Agreed to Attend: _____
<u>Summary of Landowner Issues:</u>			
<u>Summary of Operator Response to Landowner Issues:</u>			
<u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u>			

Facility

Facility ID: 426529	Type: WELL	API Number: 045-21180	Status: DG	Insp. Status: PR
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Producing Well

Comment: Well on production watch. Gas going to sales.

Facility ID: 426539	Type: WELL	API Number: 045-21181	Status: DG	Insp. Status: PR
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Producing Well

Comment: Well on production watch. Gas going to sales.

Facility ID: 426544	Type: WELL	API Number: 045-21182	Status: DG	Insp. Status: PR
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Producing Well

Comment: Well on production watch. Gas going to sales.

Facility ID: 426545	Type: WELL	API Number: 045-21183	Status: DG	Insp. Status: PR
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Producing Well

Comment: Well on production watch. Gas going to sales.

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: _____

Waste Management:

Type	Management	Condition	Comment	GPS (Lat)	(Long)
Drill Cuttings	Piles	Inadequate	Drill cutting piled on northwest side of location. Some cutting and wood chips appear to have been washed into stormwater retention pond. Remove cuttings from stormwater pond.	39.509020	- 107.556400

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: RANGELAND
 Comment: Recent drilling on location.

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: 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
Ditches	Pass					
Retention Ponds	Fail					
Blankets	Pass					
Culverts	Pass					
Check Dams	Pass					
Waddles	Pass					

S/U/V: Unsatisfactory Corrective Date: 10/18/2013

Comment: Drill cuttings or mud appears to have been washed into the stormwater retention pond.

CA: Remove drill cutting or mud from pond.

Pits:

Inspector Name: BURGER, CRAIG

Pit Type: Produced Water Lined: YES Pit ID: _____ Lat: _____ Long: _____

Lining:

Liner Type: HDPE Liner Condition: Adequate

Comment: _____

Fencing:

Fencing Type: Netting/Fen Fencing Condition: Adequate

Comment: _____

Netting:

Netting Type: Fence/Net Netting Condition: Good

Comment: _____

Anchor Trench Present: YES Oil Accumulation: _____ 2+ feet Freeboard: _____

Pit (S/U/V): Satisfactory Comment: _____

Corrective Action: _____ Date: _____

Permit:	Facility ID	Permit Num	Expiration Date
	430542	400299651	