

**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:

09/11/2013

Document Number:

670200845

Overall Inspection:

Unsatisfactory**FIELD INSPECTION FORM**

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

Operator Information:OGCC Operator Number: 10301 Name of Operator: DEJOUR ENERGY (USA) CORPORATIONAddress: 1401 17TH STREET #850City: DENVERState: COZip: 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	<input checked="" type="checkbox"/>
426539	WELL	DG	03/29/2013	LO	045-21181	FEDERAL 6/7-15-21	<input checked="" type="checkbox"/>
426544	WELL	DG	04/03/2013	LO	045-21182	FEDERAL 6/7-13-21	<input checked="" type="checkbox"/>
426545	WELL	DG	09/07/2012		045-21183	FEDERAL 6/7-16-21	<input checked="" type="checkbox"/>
427243	WELL	XX	01/06/2012	LO	045-21277	PWD Federal 21-6-91	<input type="checkbox"/>
430542	PIT		10/22/2012		-	Well Pad 21A	<input type="checkbox"/>

Equipment:Location Inventory

Special Purpose Pits: <u> </u>	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: <u> </u>
Gas or Diesel Mortors: <u> </u>	Cavity Pumps: <u> </u>	LACT Unit: <u> </u>	Pump Jacks: <u> </u>
Electric Generators: <u> </u>	Gas Pipeline: <u>1</u>	Oil Pipeline: <u> </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	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
--------------	---------	------------	---------

Inspector Name: BURGER, CRAIG

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
---------------------	------------	-----------------------	------------	------------------

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
---------------------	------------	-----------------------	------------	------------------

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
---------------------	------------	-----------------------	------------	------------------

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
---------------------	------------	-----------------------	------------	------------------

Producing Well

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

Environmental

Spills/Releases:

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

Comment: _____

Inspector Name: BURGER, CRAIG

Corrective Action: _____		Date: _____			
Reportable: _____	GPS: Lat _____	Long _____			
Proximity to Surface Water: _____		Depth to Ground Water: _____			
Water Well:					
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: _____				

Inspector Name: BURGER, CRAIG

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	