Inspector Name: Lamont, Rich

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: 10/21/2013

Document Number: 673300048

Overall Inspection: Satisfactory

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	426451	426451	Lamont, Rich	☐	

Operator Information:

OGCC Operator Number:

Name of Operator: PICEANCE ENERGY LLC

Address: 1512 LARIMER STREET #1000

City: DENVER State: CO Zip: 80202

☐ THIS IS A FOLLOW UP INSPECTION

☐ FOLLOW UP INSPECTION REQUIRED

☐ NO FOLLOW UP INSPECTION REQUIRED

☐ INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Bankert, Wayne	970-812-5310	wbankert@laramie-energy.com	Senior Regulatory & Environmental Coordinator
Natvig, Randy	303-339-4337	Rnatvig@laramie-energy.com	Drilling and Completions Manager
Lamont, Rich		rich.lamont@state.co.us	
KELLERBY, SHAUN		shaun.kellerby@state.co.us	

Compliance Summary:

QtrQtr: NENE Sec: 19 Twp: 9S Range: 93W

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
426449	WELL	PR	07/01/2013	GW	077-10188	Jensen 17-13B	PR	X
426450	WELL	XX	11/13/2011	LO	077-10189	Jensen 18-16D	XX	
432459	WELL	XX	04/12/2013		077-10207	Jensen 20-03C	XX	

Equipment: Location Inventory

Special Purpose Pits:		Drilling Pits:		Wells:	20	Production Pits:	
Condensate Tanks:	10	Water Tanks:		Separators:	5	Electric Motors:	
Gas or Diesel Mortors:		Cavity Pumps:		LACT Unit:		Pump Jacks:	
Electric Generators:		Gas Pipeline:	1	Oil Pipeline:		Water Pipeline:	1
Gas Compressors:		VOC Combustor:	1	Oil Tanks:		Dehydrator Units:	
Multi-Well Pits:		Pigging Station:		Flare:		Fuel Tanks:	

Location

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
BATTERY	Satisfactory			

Inspector Name: Lamont, Rich

WELLHEAD	Unsatisfactory	No sign at wellhead	install well info sign	**12/16/2013**
TANK LABELS/PLACARDS	Satisfactory			
CONTAINERS	Satisfactory			

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

Comment:

Corrective Action:

Spills:

Type	Area	Volume	Corrective action	CA Date

☐ Multilple Spills and Releases?

Equipment:

Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Horizontal Heated Separator	1	Satisfactory			
Bird Protectors	1	Satisfactory			
Plunger Lift	1	Satisfactory			

Facilities: ☐ New Tank Tank ID:

Contents	#	Capacity	Type	SE GPS
CONDENSATE	2	300 BBLS	STEEL AST	39.267760,-107.803810

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

Corrective Action Corrective Date

Comment

Venting:

Yes/No	Comment
NO	

Flaring:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 426451

Site Preparation:

Lease Road Adeq.: Pads: Soil Stockpile:

S/U/V:

Corrective Action: Date: CDP Num.:

Form 2A COAs:

S/U/V: **Comment:**

CA: **Date:**

Wildlife BMPs:

BMP Type	Comment
Wildlife	LARAMIE ENERGY II, LLC Best Management Practices (BMP's) To Reduce Impacts to Wildlife For Operations in NENE Section 19, Twn. 9S Rng. 93W 6th PM Jensen 19-01 Pad Mesa County, CO ** NO SWH or RSO on the Jensen 19-01 Pad In an effort to minimize the impacts to wildlife, the following BMP's are part of Laramie Energy II's (LEII) standard operating procedures for drilling and operations within the Piceance Basin. This list is a partial of LEII's policy. Initial Stages for Infrastructure and Roads 1. Road design and General - No firearms, no dogs on location, and no feeding of wildlife. - Minimize the amount of traffic on lease roads within 3 hours of sunrise and sunset. - Use existing routes as much as possible to avoid new disturbance and habitat fragmentation and minimize new road construction. - Maximize the topography as much as possible in designing roads to reduce, visual, noise, impacts, etc. - Participate in road sharing agreements with other Operators when possible. - Design and surface roads based on the traffic, speed, and type of vehicles to reduce, dust, mud, and environmental damage. - Locate roads away from riparian areas and bottoms of drainages as much as possible or re-route entirely. - Obtain Army Corp of Engineer Permits for any stream crossings prior to construction. - Analyze crossings and flow characteristics to determine the best method of crossing, (i.e. culvert, bridge, or low water). - Armor all stream crossings to reduce erosion and to comply with Stormwater Requirements. - Implementation of fugitive dust control measures including but not limited to water or magnesium chloride applications, and road surfacing. - Limit traffic to the minimum needed for safe and efficient operations. - No driving or parking off of disturbed areas. - Install and use locked gates or other means when allowed by landowner or Federal Agencies to prevent unauthorized travel on roads and rights-of ways. 2. Well pad design and location - Locate well pads to maximize directional drilling practices. LEII currently plans and attempts to locate pads for 16-20 wells which equates to roughly 4 well pads per section. - Design each location to accommodate both current and future gas production. - Locate well pads to minimize disturbance yet maximize use to reduce surface impacts. - Review State and Federal GIS mapping to avoid Sensitive Wildlife Habitat (SWH), Restricted Surface Occupancy (RSO) areas, steep slopes, etc., as much as possible with roads and pad location. - Design and install gathering lines within the disturbed area of new roads and adjacent to as much as possible to reduce disturbance construction. - Design Rights-of Way widths to the minimum needed for safe and efficient construction of pipelines - Remote Telemetry for production operations

3. Drilling and Production Operations

- Implement remote telemetry in all operations
- Where topographically possible and subject to landowner approval, use centralized water gathering and transportation systems.
- Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents, and openings.
- Locate facilities to minimize visual effects (e.g. paint color, screening, etc.)
- LEII implements a closed system in its operations. No fluid pits are constructed or used during drilling or completion operations.
- LEII implements an aggressive weed management program. LEII incorporates and uses the BLM Glenwood Springs Energy Office's "Noxious and Invasive Weed Management Plan for Oil and Gas Operators- March 2007" for all operations. Each spring, Laramie inventories all pads, roads, and pipelines to insure no noxious weeds have been introduced. If noxious weeds are found, the county will be notified and the weeds will be treated. Weeds are continuously monitored and treated throughout the growing season. Only herbicides approved by the EPA and State are used by certified weed applicators.

4. Reclamation

- Strip and segregate topsoil from other soil horizons during pad, road, and pipeline construction.
- Minimize topsoil degradation by windrowing no higher than 5 feet when possible.
- Immediately seed topsoil to reduce erosion and prevent weed establishment and maintain soil microbial activity.
- Use only certified weed free native seed mixes, unless recommended otherwise by Federal Agencies or the Landowner.
- Use locally adapted seed when available.
- Use diverse seed mixes to mirror the surrounding area unless recommended otherwise by Federal Agencies or the Landowner.
- Monitor re-vegetation success until a minimum of 75% of preferred perennial plant cover (no weeds) is established.
- Perform "interim" reclamation on all disturbed areas not needed for active producing operations.
- If possible, conduct interim and final reclamation during optimum periods (e.g. late fall/early winter or early spring).
- If needed, fence reclaimed areas to minimize livestock/wildlife impact until plant species have are capable of sustaining grazing.

LARAME ENERGY II, LLC
BMPS FOR
Sensitive Wildlife Habitat and Restricted Surface Occupancy
Areas Specific to Laramie Energy II, LLC
Operations Within the Piceance Basin
Garfield County, CO

Sensitive Wildlife Habitat (SWH)

Black Bear

• Initiate a food and waste/refuse management program that uses bear-proof food storage containers and trash receptacles.
• Initiate an education program that reduces bear conflicts.
• Establish policy to prohibit keeping food and trash in sleeping quarters.
• Establish policy to support enforcement of state prohibition on feeding of black bear.
• Report bear conflicts immediately to CDOW .

Deer and Elk (Mule Deer Critical Winter Range and Elk Winter Concentration SWH)

• Review State GIS and Federal GIS mapping databases at the initial stage of development to identify the locations of mule deer and elk important wintering habitats and production areas. Attempt to avoid any critical habitat patches with roads and development.
• Attempt to avoid oil and gas activities within mule deer critical winter range, elk winter concentration areas, elk production areas, and migration corridors.
• Attempt to conduct post-development well site visitation between the hours of 10:00 am and 3:00 pm. Reduce visitations from December 1st to April 30th to reduce impact to wintering wildlife.

	• Phase and concentrate all development activities, so that large areas of undisturbed habitat for wildlife remain and thorough reclamation occurs immediately after development and before moving to new sites. Development should progress at a pace commensurate with reclamation success. • Gate single-purpose roads and restrict general public access to reduce traffic disruptions to wildlife. • Avoid aggressive non-native grasses and shrubs in reclamation. Signature _____ Date ___10/10/2011_____ Wayne P. Bankert Senior Reg. and Env. Coordinator Laramie Energy II, LLC
Storm Water/Erosion Control	PROPOSED BMP's LARAMIE ENERGY II, LLC Jensen 19-01 Pad NENE Sec. 19 Twn. 9 South Rng. 93 West Mesa County, CO Stormwater Management Stormwater Management will be managed under (Laramie Energy II) LE II's Stormwater Management Plan known as the "Bruton Project Area". The Stormwater Plan and Permit (COR 03G219) will be amended to include the additional well pad and construction. Prior to construction a stormwater "perimeter" will be built around the site for initial work purposes. Once the pad construction is completed, LE II's Stormwater Administrator will inspect the site and install any necessary Erosion Control Devices to manage sediment discharge from the pad. These devices may include but are not limited to: - Rock Check dams - Settling ponds - Straw waddles - Silt Fencing (used sparingly) Once the final stormwater Erosion Control Devices are installed they will be mapped in GIS and a diagram of the site will be drafted and included as part of the Stormwater Documentation as required by the CDPHE General Permit. Each site will be inspected every 14 days and 72 hrs after any major storm event. These inspections will be recorded and documented in the Stormwater Manual onsite and any necessary repairs or modifications will be made and documented. Spill Prevention Control and Counter Measures (SPCC) Once the wells are drilled and completed onsite Laramie Energy II will prepare a SPCC plan for the site.

S/U/V: _____ **Comment:**

CA: **Date:**

Stormwater:

Comment:

Staking:

On Site Inspection (305):

Inspector Name: Lamont, Rich

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: 426449 Type: WELL API Number: 077-10188 Status: PR Insp. Status: PR

Producing Well

Comment: PR

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:

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: HAY MEADOW, IRRIGATED

Comment:

Inspector Name: Lamont, Rich

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 In Process

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: HAY MEADOW, IRRIGATED

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:

Inspector Name: Lamont, Rich

Corrective Action: Date

Overall Final Reclamation Well Release on Active Location Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/U/V: Satisfactory Corrective Date:

Comment:

CA:

Pits: ☒ NO SURFACE INDICATION OF PIT