

**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:

12/12/2013

Document Number:

667700107

Overall Inspection:

Unsatisfactory**FIELD INSPECTION FORM**

| | | | | |
|---------------------|---------------|---------------|-------------------------|--|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection |
| | <u>432376</u> | <u>432377</u> | <u>LABOWSKIE, STEVE</u> | <input type="checkbox"/> 2A Doc Num: _____ |

Operator Information:

OGCC Operator Number:

Name of Operator: SIMMONS, INC.* D. J.Address: 1009 RIDGEWAY PL STE 200City: FARMINGTON State: NM Zip: 87401

- ☐ 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 |
|---------------|-------|-----------------------|--------------------------|
| Seale, Rod | | rseale@djsimmons.com | Pet. Eng./Operations Mgr |
| Tucker, Laura | | ltucker@djsimmons.com | |
| Lopez, Chris | | clopez@djsimmons.com | Regulatory Specialist |

Compliance Summary:QtrQtr: Lot 11 Sec: 7 Twp: 39N Range: 19W**Inspector Comment:****Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|--|
| 432376 | WELL | DG | 10/25/2013 | | 033-06174 | Pinto 1-7 | WO <input checked="" type="checkbox"/> |

Equipment:Location Inventory

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

Location**Signs/Marker:**

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|----------------------|-----------------------------|------------------------|--|------------|
| TANK LABELS/PLACARDS | Unsatisfactory | tanks seem to be empty | label as "empty" if being stored on-site empty for a significant period of time. | 01/10/2014 |
| WELLHEAD | Satisfactory | | | |

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

Corrective Date: _____

Comment: _____

Corrective Action: **Good Housekeeping:**

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|--------|-----------------------------|---|---|------------|
| DEBRIS | Unsatisfactory | barrel, vessel, valves and piping and other debris in pile intermixed with significant release of oil (presuming lubrication oil) | clean up debris and parts and all hydrocarbons, see "spills". | 12/20/2013 |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|----------|------|-----------|--|------------|
| Lube Oil | Tank | <= 5 bbls | appears to be lube oil due to light brown color (less than 1 bbl, more than several gallons. Clean up oil and stained soils/gravel and dispose in approved manner. | 12/20/2013 |

☐ Multiple Spills and Releases?**Fencing/:**

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|------|-----------------------------|---------|-------------------|---------|
| PIT | Satisfactory | | | |

Equipment:

| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|---------------------|---|-----------------------------|---------------------------------------|-------------------|---------|
| Pump Jack | 1 | Satisfactory | on location, not yet hooked up | | |
| Ancillary equipment | 2 | Satisfactory | 2 tanks on location not yet hooked up | | |

Venting:

| Yes/No | Comment |
|--------|---------|
| | |

Flaring:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|------|-----------------------------|---------|-------------------|---------|
| | | | | |

PredrillLocation ID: 432376**Site Preparation:**Lease Road Adeq.: SatisfactoryPads: SatisfactorySoil Stockpile: Satisfactory**S/U/V:** Satisfactory

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

Form 2A COAs:

| Group | User | Comment | Date |
|-------|-----------|---|------------|
| OGLA | kubeczkod | <p>SITE SPECIFIC COAs:</p> <p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines</p> <p>Operator must ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) contained at well site during drilling and completion operations (as indicated on the BMP tab of the Form 2#400369343 and the Construction Layout Drawings attachment); including, but not 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.</p> <p>Either a lined drilling pit or closed loop system must be implemented.</p> <p>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.</p> <p>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, if drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1.</p> <p>If the well is hydraulically stimulated, then flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) 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.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p> | 04/02/2013 |

S/U/V: Satisfactory

Comment:**CA:****Date:****Wildlife BMPs:**

| BMP Type | Comment |
|--------------|---|
| Construction | <p>The BMP's that will be used during construction activities are based on EPA Guidance Documents and training sessions, Colorado Discharge Permit System, Colorado Department of Transportation training sessions and publications, good engineering practices, International Erosion Control Association training sessions and publications, and Stormwater publications.</p> <p>The BMP's to be used on this project for pre/during construction will be 9-inch diameter fiber logs, hay bales and a sediment trap. The post construction BMP's will be 9-inch diameter fiber logs, hay bales, sediment trap and earth berms. The BMP's were designed specifically for this project to contain sediments on the project site with the intention of not allowing the sediments or any possible pollutants off-site and more specifically not to reach the drainage of Squaw Canyon.</p> <ul style="list-style-type: none"> - The fiber logs are designed to function for flows up to 4 cubic feet per second before failure generally occurs. One third the diameter (3-inches) of the fiber log will be placed in ground and staked down with 24-inch wooden stakes. The fiber logs will be placed a distance of three feet outside the toe of the well pad, the toe of the berms disturbance, and on the downhill side of the toe of the access road until restoration is achieved. - The hay bales and sediment trap will be located at the lowest point of the project area, allowing for outfall of stormwater but at the same time trapping sediments before outfall occurs. - Windrow berms shall be approximately 12-inches in height by 3-feet in width and shall be constructed on the uphill and downhill sides of the well pad to allow for an outfall for stormwater but at the same time trapping sediments before the outfall occurs. - Should dust become a problem on the project site, then dust abatement technique of wetting the soil to keep airborne dust particles down may be applied to the site or any other dust abatement technique the contractor may select that is acceptable by Dolores County, Colorado. <p>The BMP's shall be installed on the access road and well pad location before surface disturbing activities begin. The BMP's will be checked before each sequence of construction for integrity and prior to drilling completion activities or pipeline activities begin. The BMP's will remain in working order until they are no longer necessary or restoration is completed.</p> |
| Planning | <p>The sequence of activities for the project is as follows:</p> <ol style="list-style-type: none"> 1) Construct well access road <ul style="list-style-type: none"> - Install pre/during BMP's; - Blade, level, crown and construct drain ditch for access road to well pad. 2) Construct well pad <ul style="list-style-type: none"> - Install pre/during BMP's at well pad; - Construct well pad by leveling (with cut and fill) including pits; - Set-up completion rig including light plant and mud pits; - Complete the well; - Set surface facilities such as meter run, separator, and storage tanks. 3) Construct well-tie pipeline right-of-way <ul style="list-style-type: none"> - Install pre/during BMP's; - Level right-of-way; - Excavate ditch; - String pipe; - Bend pipe; - Weld pipe; - Lower-in pipe; - Shade-in pipe; - Hydrostat pipe test; - Backfill ditch; - Restore area for interim reclamation. |

| | | | |
|--|---|--|---------|
| Material Handling and Spill Prevention | <p>The following are examples of measures that will be taken to minimize generation of dust, construction materials and waste handling and storage, spill prevention and response:</p> <ul style="list-style-type: none"> - Up-to-date Material Safety Data Sheets for all chemicals used on-site are maintained. It is not anticipated that reportable quantities of acids, solvents, paints, chemicals or other liquids will be stored or used for construction purposes. - Drums and containers will be clearly labeled. Drums of hazardous waste are labeled and dated per regulatory requirements. - Accumulation of waste on-site is limited. - Best Management Practices are implemented. - Chemicals that are poured into smaller containers, the secondary containers will be clearly labeled and dedicated to one material. Funnels or other aids to reduce spills, drips, and splashes are used during pouring. - Secondary containment is covered to prevent the mixing of released materials with precipitation. - Proper pumps for fueling are provided to reduce leaks and spills. Drip pans are installed for fueling nozzles. Drip pans will be cleaned regularly and will not be allowed to accumulate water. - Storage areas, containment areas and spill response kits are inspected regularly. - Proper signage is installed for hazardous materials storage areas. - Leaks are repaired promptly and spilled material and contaminated media are cleaned up immediately. - Available equipment (spill pallets, mats, absorbants) is used to reduce spills, leaks and drips as well as their impacts. - Tailgate safety meetings are held with all personnel prior to each construction or drilling activity. <p>The CDPHE will be notified of any upset or accidental spill (SWMP Administrator, (877) 518-5608) and the spill will be cleaned up immediately and the contaminated soils will be either land farmed or land filled in accordance with State, Federal or Dolores County requirements. Where a release of hazardous substance or oil exceeds the reportable quantity established under 40 CFR 110, 40 CFR 117, or 40 CFR 302 during a 24-hour period, the operator must:</p> <ol style="list-style-type: none"> 1) Contact SWMP Administrator (877) 518-5608 2) Notify the National Response Center (800) 424-8802 or (202) 426-2675 3) Update the Plan within 7 days to address reoccurrences of such releases. | | |
| Interim Reclamation | <p>Interim site reclamation will be achieved in the following manner:</p> <ul style="list-style-type: none"> - Grading and establishing original grade to contour - Restoring and replacing topsoil in non-working areas; - Constructing proper drainage; - Installing interim BMP's; - Maintaining interim BMP's and contouring. | | |
| Storm Water/Erosion Control | Storm water erosion BMP's are designed to reduce, prevent or control pollution by entraining sediments in runoff during and after construction. | | |
| S/U/V: Unsatisfactory Comment: vessels, valves, piping containing oil leaking onto pad, no liner or spill prevention | | | |
| CA: clean up all debris, hydrocarbons and stained/oily soils/gravel in an approved manner. Date: 12/20/2013 | | | |
| Stormwater: | | | |
| Erosion BMPs | Present | Other BMPs | Present |
| SLOPE ROUGHENING | Yes | Spill Response | No` |
| S/U/V: Unsatisfactory | | | |
| Corrective Action: clean up hydrocarbons Date: 12/20/2013 | | | |
| Comments: Erosion BMPs: good top soil segregation and compaction | | | |
| Other BMPs: gravel | | | |
| WADDLES | Yes | Material Handling And Spill Prevention | No` |
| S/U/V: Unsatisfactory | | | |
| Corrective Action: train staff in use of spill prevention if materials like this must be left on-site Date: 01/10/2014 | | | |
| Comments: Erosion BMPs: site encompassed in straw waddles | | | |
| 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: 432376 Type: WELL API Number: 033-06174 Status: DG Insp. Status: WO

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:

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: CRP

Comment:

1003a. Debris removed? Fail CM
 CA remove CA Date 12/20/2013
 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? In CM
 CA CA Date
 Guy line anchors removed? Pass CM none readily observed
 CA CA Date
 Guy line anchors marked? CM
 CA CA Date

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

1003c. Compacted areas have been cross ripped?

1003d. Drilling pit closed? In 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? In

Production areas have been stabilized? Pass Segregated soils have been replaced? In

RESTORATION AND REVEGETATION

Cropland

Top soil replaced In Recontoured In Perennial forage re-established In

Non-Cropland

Top soil replaced Recontoured 80% Revegetation

1003 f. Weeds Noxious weeds? P

Comment:

Overall Interim Reclamation In Process

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: Date Final Reclamation Completed:

Final Land Use: CRP

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

Inspector Name: LABOWSKIE, STEVE

Weeds present _____ Subsidence _____

Comment: _____

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Berms | Pass | | | SI | Fail | |
| Compaction | Pass | | | SR | Fail | |
| Waddles | Pass | | | | | |
| Gravel | Pass | Compaction | Pass | MHSP | Fail | |

S/U/V: **Unsatisfactory**

Corrective Date: **12/20/2013**

Comment: _____

CA: **clean up hydrocarbons and oily debris and stained soils, train personell in use of spill prevention and self-inspection.**

Pits: ☐ NO SURFACE INDICATION OF PIT

Pit Type: Drilling Pit Lined: _____ Pit ID: _____ Lat: _____ Long: _____

Lining:

Liner Type: HDPE Liner Condition: Adequate

Comment: 3/4 full of frozen fluid and snow covered

Fencing:

Fencing Type: Livestock Fencing Condition: Adequate

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: **not netted**

Anchor Trench Present: YES Oil Accumulation: NO 2+ feet Freeboard: _____

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

Corrective Action: _____

Date: _____