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| 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 |
|-------------------------------|--|--|----------------------|

FIELD INSPECTION FORM

| | | | | | |
|---------------------|-----------------------|------------------|------------------------------------|---|-------------------|
| Location Identifier | Facility ID 231391 | Loc ID 315701 | Inspector Name: Covington, Dave | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ |
|---------------------|-----------------------|------------------|------------------------------------|---|-------------------|

| |
|---|
| Inspection Date: <p style="text-align: center; margin: 0;">01/28/2014</p> Document Number: <p style="text-align: center; margin: 0;">673500480</p> Overall Inspection: <div style="border: 2px solid red; padding: 2px; text-align: center; color: red; font-weight: bold;"> Unsatisfactory </div> |
|---|

Operator Information:

| | |
|---|--|
| OGCC Operator Number: _____ Name of Operator: <u>SOUTHWESTERN ENERGY VENTURES COMPANY</u> Address: <u>PO BOX 1056</u> City: <u>BAYFIELD</u> State: <u>CO</u> Zip: <u>81122</u> | <input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED <input checked="" type="checkbox"/> INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED |
|---|--|

Contact Information:

| Contact Name | Phone | Email | Comment |
|-----------------|--------------|----------------------------|---------|
| Lee, Ezra | 970-884-4869 | ezra@crossfire-llc.com | |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |

Compliance Summary:

| | | | | | | | |
|---------------------|----------------|----------------|--------------------|--|--|--|--|
| QtrQtr: <u>NWNW</u> | Sec: <u>25</u> | Twp: <u>3S</u> | Range: <u>101W</u> | | | | |
|---------------------|----------------|----------------|--------------------|--|--|--|--|

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Unsatisfactory | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|------------------------------|----------|----------------|-----------------|
| 12/14/2013 | 673500237 | PR | PR | Unsatisfactory | P | | No |

Inspector Comment:

Wellhead, separator and small tank on a snow covered location. North of East Douglas creek Rd.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|-------------------------------------|
| 231391 | WELL | PR | 06/01/1993 | | 103-09061 | FEDERAL 25-4 | PR | <input checked="" type="checkbox"/> |

Equipment:

Location Inventory

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| 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 |
|--------|-----------------------------|---------|-------------------|------|
| Access | Satisfactory | | | |
| Main | Satisfactory | | | |

| Signs/Marker: | | | | |
|----------------------|-----------------------------|---|---------------------------------------|------------|
| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| WELLHEAD | Unsatisfactory | Sign is illegible | Install sign to comply with rule 210. | 03/28/2014 |
| TANK LABELS/PLACARDS | Unsatisfactory | Needs labels and tank capacity and contents | Install sign to comply with rule 210. | 03/28/2014 |

Emergency Contact Number: (S/U/V) Unsatisfactory Corrective Date: 03/28/2014

Comment: needs one

Corrective Action: install emergency contact #

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

| Equipment: | | | | | |
|----------------------|---|-----------------------------|---------|-------------------|---------|
| Type | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| Deadman # & Marked | 4 | Satisfactory | | | |
| Horizontal Separator | 1 | Satisfactory | | | |

| Facilities: | | | | | |
|-----------------------------------|--------------|----------------|-----------|-----------------------|--|
| <input type="checkbox"/> New Tank | | Tank ID: _____ | | | |
| Contents | # | Capacity | Type | SE GPS | |
| PRODUCED WATER | 1 | <100 BBLS | STEEL AST | 39.764350,-108.688290 | |
| S/U/V: | Satisfactory | Comment: | | | |
| Corrective Action: | | | | Corrective Date: | |

Paint

| | |
|-----------|------------|
| Condition | Inadequate |
|-----------|------------|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

| Berms | | | | |
|-------------------|-----------------------------------|---------------------|---------------------|----------------------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Corrective Action | Install berm to meet requirements | | | Corrective Date 04/25/2014 |
| Comment | There is no berm | | | |

| Venting: | |
|-----------------|---------|
| Yes/No | Comment |
| NO | |

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

Predrill

Location ID: 231391

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:

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

CA: _____ **Date:** _____

Stormwater:

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: 231391 Type: WELL API Number: 103-09061 Status: PR Insp. Status: PR

Producing Well

Comment: Wellhead, separator and small tank on a snow covered location. North of East Douglas creek Rd.

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: _____

Comment: _____

1003a. Debris removed? Pass CM _____

CA _____ CA Date _____

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? Pass CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? Pass CM _____

CA _____ CA Date _____

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

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: _____

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 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