

FORM INSP <small>Rev 05/11</small>	State of Colorado Oil and Gas Conservation Commission <small>1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109</small>		DE	ET	OE	ES
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FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	<input type="checkbox"/>
	222825	312913	Waldron, Emily	2A Doc Num:	

Inspection Date: <u>02/18/2014</u>
Document Number: <u>673400266</u>
Overall Inspection: <b style="border: 2px solid red; padding: 2px;">Unsatisfactory

Operator Information:

OGCC Operator Number:
Name of Operator: <u>PEAKVIEW OPERATING COMPANY, LLC</u>
Address: <u>216 16TH STREET, SUITE 1450</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>

- 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
Wise, Wayne		wwise@peakviewenergy.com	
KELLERBY, SHAUN		shaun.kellerby@state.co.us	

Compliance Summary:

QtrQtr: <u>SESW</u>	Sec: <u>9</u>	Twp: <u>6N</u>	Range: <u>90W</u>
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Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
11/19/2012	669300268	PR	PR	Violation	I		Yes
01/09/2012	662300101			Unsatisfactory			No
02/16/2011	200298439	PR	PR	Unsatisfactory			Yes
06/09/2003	200045159	PR	PR	Satisfactory		Pass	No
06/19/2000	200010069	PR	PR	Satisfactory		Pass	No
08/24/1994	500154542						

Inspector Comment:

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Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
222825	WELL	PR	07/17/1973	OW	081-06185	KOWACH 1-9	PR <input checked="" type="checkbox"/>
433473	WELL	DG	07/24/2013		081-07782	Kowach 24-9 SWD	DG <input type="checkbox"/>

Equipment:

Location Inventory

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

Location

Signs/Marker:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Satisfactory			
TANK LABELS/PLACARDS	Unsatisfactory	Incomplete tank labels.	Install sign to comply with rule 210.	04/04/2014
BATTERY	Satisfactory			

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

Comment: At wellhead.

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
DEBRIS	Unsatisfactory	Old pump jack on west side of location.	Remove all equipment not necessary for production.	04/11/2014
STORAGE OF SUPL	Unsatisfactory	Tubing, sawdust, other misc materials stored on location.	Remove all equipment not necessary for production.	04/11/2014
STORAGE OF SUPL	Unsatisfactory	Lube oil and chemicals stored at wellhead without any secondary containment.	Place all chemicals in appropriate containment.	04/04/2014

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

Fencing/:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
PUMP JACK	Satisfactory			

Equipment:					
Type	#	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
Dehydrator	1	Satisfactory			
Horizontal Heated Separator	1	Unsatisfactory	Seperator is in same berm with produced water tank. Seperator is not 75 feet away from water tank.	Tanks shall be a minimum of seventy-five (75) feet from a fired vessel or heater-treater. Per rule 605.a(5)	04/04/2014
Pump Jack	1	Satisfactory			
Bird Protectors		Satisfactory			
Emission Control Device	1	Satisfactory			
Deadman # & Marked	4	Satisfactory			

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	STEEL AST	40.485640,-107.499370
S/U/V:	Unsatisfactory		Comment: Incomplete tank label.	
Corrective Action:	Install label to comply with rule 210.d.			Corrective Date: 04/11/2014

Paint

Condition	Adequate
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Other (Content) _____
 Other (Capacity) _____
 Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient		Adequate
Corrective Action				Corrective Date
Comment				

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	3	400 BBLS	STEEL AST	40.485350,-107.499110
S/U/V:	Unsatisfactory		Comment: Incomplete tank label.	
Corrective Action:	Install label to comply with rule 210.d.			Corrective Date: 04/11/2014

Paint

Condition	Adequate
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Other (Content) _____
 Other (Capacity) _____
 Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Insufficient		Inadequate
Corrective Action	Berms or other secondary containment devices shall be constructed...to provide secondary containment for the largest single tank and sufficient freeboard to contain precipitation.			Corrective Date 03/07/2014
Comment	Berm not capable of containing a release.			

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 222825

Site Preparation:

Lease Road Adeq.: _____ Soil Stockpile: _____

Pads:

S/UV: _____

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkod	<p>GENERAL 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 submit an as-built drawing (plan view and cross-sections) of the SWD injection well pad and associated equipment within 30 calendar days of construction.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface or buried pipelines.</p> <p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; 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>The moisture content of any freshwater generated 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 the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.</p> <p>If the well is to be hydraulically stimulated, 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>Operator will use qualified containment devices for all appropriate chemicals/hazardous materials used onsite during the operation of the injection well.</p> <p>All tanks and aboveground vessels containing fluids must have secondary containment structures. All secondary containment structures/areas must be lined. Operator must ensure a minimum of 110 percent secondary containment for the largest structure containing fluids within each bermed area of the facility during operations. The construction and lining of the secondary containment structures/areas shall be supervised by a professional engineer or their agent.</p> <p>Operator shall equip and maintain on all tanks an electronic level monitoring device.</p> <p>Operator shall install a steel containment ring around tank batteries to provide secondary containment and install a synthetic liner that underlies the entire battery and is keyed into the top of the containment ring.</p>	06/05/2013

Approval of this Form 2A does not authorize operator the right to inject. Authorization to inject into the selected Formation(s) requires approval of both the Form 31 and the Form 33.

Before hydraulic stimulation of the each well, operator shall collect a groundwater sample from the Morapos Formation and analyze for total dissolved solids (TDS); submit laboratory analytical results to denise.onyskiw@state.co.us and arthur.koelspell@state.co.us.

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

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Wildlife	1. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads. 2. Include a weed management plan and implement the plan as part of reclamation. 3. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.
Construction	<p>Peakview Operating Company, LLC Kowach #24-9 SWD SESW Section 9-T6N-R90W Moffat Co., Colorado</p> <p>Best Management Practices Summary</p> <p>Stormwater Management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE). BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. The BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation.</p> <p>Spill Prevention Control and Counter measures (SPCC) plans will be in place to address any possible spills associated with Oil & Gas operations throughout the state of Colorado in accordance with CFR12.</p> <p>Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup will be required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.</p> <p>The above BMP's will be provided to all Peakview Operating Company, LLC contractors and will be posted in the company trailer located on location during drilling, completion and production operations.</p>

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

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking: _____

On Site Inspection (305): _____

Inspector Name: Waldron, Emily

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: 222825 Type: WELL API Number: 081-06185 Status: PR Insp. Status: PR

Producing Well

Comment: **Pumping.**

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: DRY LAND, OTHER

Comment: _____

1003a. Debris removed? Fail CM _____
 CA Remove. CA Date 04/11/2014
 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? Pass CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? Fail 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 _____

Final Reclamation/ Abandoned Location:

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

Final Land Use: DRY LAND, OTHER _____

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 _____

Inspector Name: Waldron, Emily

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	Fail					
Gravel	Fail			MHSP	Fail	No secondary containment for chemicals.
Compaction	Fail					

S/U/V: **Unsatisfactory**

Corrective Date: **04/11/2014**

Comment:

CA: **Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.**

Pits: NO SURFACE INDICATION OF PIT