

|                               |  |  |             |
|-------------------------------|--|--|-------------|
| <b>FORM INSP</b><br>Rev 05/11 | <b>State of Colorado</b><br><b>Oil and Gas Conservation Commission</b><br>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<br>429384 | Loc ID<br>429335 | Inspector Name:<br>Covington, Dave | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ |
|---------------------|-----------------------|------------------|------------------------------------|---|-------------------|

|  |
|--|
| Inspection Date:<br><u>03/31/2014</u>      |
| Document Number:<br><u>673500907</u>       |
| Overall Inspection:<br><u>Satisfactory</u> |

**Operator Information:**

|   |                  |                   |  |
|---|------------------|-------------------|--|
| OGCC Operator Number: _____                             |                  |                   |  |
| Name of Operator: <u>BAYLESS PRODUCER LLC* ROBERT L</u> |                  |                   |  |
| Address: <u>621 17TH ST STE 2300</u>                    |                  |                   |  |
| City: <u>DENVER</u>                                     | State: <u>CO</u> | Zip: <u>80293</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            |
|-------------------|--------------|----------------------------|--------------------|
| Williamson, Craig | 970-878-3800 | cwilliamson@blm.gov        | Petroleum Engineer |
| Kellerby, Shaun   |              | shaun.kellerby@state.co.us |                    |
| Thomas, John      | 505-326-2659 | jthomas@rlbayless.com      |                    |

**Compliance Summary:**

QtrQtr: SWSE      Sec: 14      Twp: 1S      Range: 104W

**Inspector Comment:**

wellhead, pump jack, separator, four tanks and meterhouse on location.

**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name       | Insp Status |                                     |
|-------------|------|--------|-------------|------------|-----------|---------------------|-------------|-------------------------------------|
| 429384      | WELL | PR     | 11/18/2013  | OW         | 103-11932 | WEAVER RIDGE 14-15H | PR          | <input checked="" type="checkbox"/> |

**Equipment:**

Location Inventory

|                                 |                        |                      |                         |
|---------------------------------|------------------------|----------------------|-------------------------|
| Special Purpose Pits: _____     | Drilling Pits: _____   | Wells: <u>4</u>      | Production Pits: _____  |
| Condensate Tanks: <u>9</u>      | Water Tanks: <u>1</u>  | Separators: <u>4</u> | Electric Motors: _____  |
| Gas or Diesel Mortors: <u>4</u> | Cavity Pumps: _____    | LACT Unit: _____     | Pump Jacks: <u>4</u>    |
| Electric Generators: _____      | Gas Pipeline: <u>1</u> | Oil Pipeline: _____  | Water Pipeline: _____   |
| Gas Compressors: _____          | VOC Combustor: _____   | Oil Tanks: _____     | Dehydrator Units: _____ |
| Multi-Well Pits: _____          | Pigging Station: _____ | Flare: <u>1</u>      | Fuel Tanks: _____       |

**Location**

**Lease Road:**

| Type   | Satisfactory/Unsatisfactory | comment | Corrective Action | Date |
|--------|-----------------------------|---------|-------------------|------|
| Access | Satisfactory                |         |                   |      |
| Main   | Satisfactory                |         |                   |      |

| <b>Signs/Marker:</b> |                             |  |                                       |            |
|----------------------|-----------------------------|--|---------------------------------------|------------|
| Type                 | Satisfactory/Unsatisfactory | Comment                                      | Corrective Action                     | CA Date    |
| BATTERY              | Satisfactory                |  |                                       |            |
| TANK LABELS/PLACARDS | Satisfactory                |  |                                       |            |
| WELLHEAD             | Unsatisfactory              | A wellhead sign needs to be at the wellhead. | Install sign to comply with rule 210. | 04/30/2014 |

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

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

| <b>Good Housekeeping:</b> |                             |  |  |            |
|---------------------------|-----------------------------|--|--|------------|
| Type                      | Satisfactory/Unsatisfactory | Comment  | Corrective Action                        | CA Date    |
| UNUSED EQUIPMENT          | Unsatisfactory              | Extra pipe , fittings and used filters on location | Remove all unused equipment or material. | 04/30/2014 |

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

| <b>Equipment:</b>           |   |                             |         |                   |         |
|-----------------------------|---|-----------------------------|---------|-------------------|---------|
| Type                        | # | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
| Horizontal Heated Separator | 1 | Satisfactory                |         |                   |         |
| Bird Protectors             | 1 | Satisfactory                |         |                   |         |
| Pump Jack                   | 1 | Satisfactory                |         |                   |         |
| Deadman # & Marked          | 3 | Satisfactory                |         |                   |         |
| Gas Meter Run               | 1 | Satisfactory                |         |                   |         |

**Facilities:**  New Tank Tank ID: \_\_\_\_\_

| Contents       | # | Capacity | Type      | SE GPS                 |
|----------------|---|----------|-----------|------------------------|
| PRODUCED WATER | 1 | 400 BBLS | STEEL AST | 39.954260, -109.032580 |

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 |
|-------|----------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficient    | Base Sufficient     | Adequate    |

Corrective Action \_\_\_\_\_ Corrective Date \_\_\_\_\_

Comment \_\_\_\_\_

|                        |                             |                                   |                     |                       |  |
|------------------------|-----------------------------|-----------------------------------|---------------------|-----------------------|--|
| <b>Facilities:</b>     |                             | <input type="checkbox"/> New Tank | Tank ID: _____      |                       |  |
| Contents               | #                           | Capacity                          | Type                | SE GPS                |  |
| CRUDE OIL              | 3                           | 400 BBLS                          | STEEL AST           | 39.954260,-109.032580 |  |
| S/U/V:                 | Satisfactory                |                                   | Comment: _____      |                       |  |
| Corrective Action:     |                             |                                   |                     | Corrective Date:      |  |
| <b>Paint</b>           |                             |                                   |                     |                       |  |
| Condition              | Adequate                    |                                   |                     |                       |  |
| Other (Content) _____  |                             |                                   |                     |                       |  |
| Other (Capacity) _____ |                             |                                   |                     |                       |  |
| Other (Type) _____     |                             |                                   |                     |                       |  |
| <b>Berms</b>           |                             |                                   |                     |                       |  |
| Type                   | Capacity                    | Permeability (Wall)               | Permeability (Base) | Maintenance           |  |
| Metal                  | Adequate                    | Walls Sufficient                  | Base Sufficient     | Adequate              |  |
| Corrective Action      |                             |                                   |                     | Corrective Date       |  |
| Comment                |                             |                                   |                     |                       |  |
| <b>Venting:</b>        |                             |                                   |                     |                       |  |
| Yes/No                 |                             | Comment                           |                     |                       |  |
| NO                     |                             |                                   |                     |                       |  |
| <b>Flaring:</b>        |                             |                                   |                     |                       |  |
| Type                   | Satisfactory/Unsatisfactory | Comment                           | Corrective Action   | CA Date               |  |
|                        |                             |                                   |                     |                       |  |

**Predrill**

Location ID: 429384

**Site Preparation:**  
 Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/U/V:** \_\_\_\_\_  
 Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

| Group | User     | Comment   | Date       |
|-------|----------|---|------------|
| OGLA  | kubeczko | <p><b>SITE SPECIFIC COAs:</b></p> <p>A closed loop system must be implemented during drilling (which operator has indicated on the Form 2A); or, if a drilling pit is constructed, it must be lined. All cuttings generated during drilling with oil based muds or high chloride/TDS mud must be kept in the lined drilling pit, or placed either in containers or on a lined/bermed portion of the well pad; prior to offsite disposal. 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.</p> <p>Any pit constructed to hold oil based muds or salt based fluids and/or cuttings must be lined.</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>For pits containing fluids other than freshwater only; the pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.</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; 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>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via buried or temporary surface pipelines.</p> <p>The moisture content of any freshwater generated 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 the freshwater generated drill cuttings are to be onsite, they must also meet the applicable standards of table 910-1.</p> <p>If a pit is constructed, a form 15 Earthen Pit Permit must be submitted and approved prior to construction/use of the pit.</p> <p>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.</p> <p>Notify 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 construction of the well pad, start of construction of the pit (if different), pit liner installation, and start of fracing operations (via Form 42).</p> | 04/10/2012 |

**S/U/V:** \_\_\_\_\_ **Comment:** \_\_\_\_\_

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Wildlife BMPs:**

| BMP Type          | Comment  |
|-------------------|--|
| Final Reclamation | <p>The following plan describe surface reclamation actions for vegetation and soil rehabilitation, scarification and reseeding of the pads "apron" (the area surrounding the pad site, including the cut and fill, topsoil and excess materials stockpile sites, etc.). The BLM will be contacted prior to commencement of any reclamation operations.</p> <p>The direction and specific work orders spelled out in this plan will apply to the existing well pad on the cited well. The overall goals and objectives of this plan for the Weaver Ridge 14-15H well pad site and any additional infrastructure associated with this well are to a)Minimize the surface impacts to other resources and authorized uses in the vicinity of the well pad site, b)Restore the landform and natural process to re-establish and sustain a pre-disturbance productivity of the site, consistent with the 1997 White River Resource Management Plan (WRRMP), c) Apply all Conditions of Approval (COA)s which are outlined in the Record of Decision/EA associated with this well and also consider additional applicable BLM's Conditions of Approval (WRRMP, Appendix 2) as a baseline to minimize surface impacts and enhance subsequent reclamation actions, and d)Apply appropriate new techniques and/or methodologies that would minimize surface disturbance and enhance reclamation success.</p> <p>This plan outlines new and additional interim and final reclamation actions for the Weaver Ridge 14-15H well pad that would need to occur to realize the objectives stated above. For more details please refer to the proposed BMP's on the attachment Tab.</p> |
| Wildlife          | <ol style="list-style-type: none"> <li>1. Where oil and gas activities must occur near active Mule Deer Critical Winter Range, conduct these activities outside the time period from December 1 through April 15.</li> <li>2. Restrict post-development well site visitations to between the hours of 10:00 a.m. and 2:00 p.m. from December 1 to April 15 for Mule Deer Critical Winter Range.</li> <li>3. Muffle sound from compressors, pump jacks or other motors necessary to run operations at the site.If mufflers are used, point upward to dissipate sound and vibration.</li> <li>4. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location following COGCC Rule 1204 a-1.</li> <li>5. Avoid aggressive non-native grasses and shrubs in mule deer habitat restoration.</li> </ol>  |

**S/UV:** \_\_\_\_\_ **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: 429384 Type: WELL API Number: 103-11932 Status: PR Insp. Status: PR

**Producing Well**

Comment: wellhead, pump jack, separator, four tanks and meterhouse on location.

**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: RANGELAND

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 \_\_\_\_\_

Inspector Name: Covington, Dave

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 \_\_\_\_\_

**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 \_\_\_\_\_ 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            |                         |                       |               |                          |         |

S/U/V: Satisfactory Corrective Date: \_\_\_\_\_

Comment: No sediment flows.

CA: \_\_\_\_\_

**Pits:**  NO SURFACE INDICATION OF PIT