

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



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| DE | ET | OE | ES |
|----|----|----|----|

Inspection Date:
07/01/2014

Document Number:
668402417

Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|------------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>431330</u> | <u>431328</u> | <u>BROWNING, CHUCK</u> | <input type="checkbox"/> | |

Operator Information:

| | |
|-----------------------|---|
| OGCC Operator Number: | <u>10442</u> |
| Name of Operator: | <u>HUNTER RIDGE ENERGY SERVICES LLC</u> |
| Address: | <u>143 DIAMOND AVENUE</u> |
| City: | <u>PARACHUTE</u> State: <u>CO</u> Zip: <u>81635</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 |
|------------------|--------------|------------------------------|-----------------|
| Contact, General | | cogcc.inspections@encana.com | |
| Browning, Chuck | 970-433-4139 | chuck.browning@state.co.us | Field Inspector |

Compliance Summary:

| QtrQtr: | <u>NESW</u> | Sec: | <u>30</u> | Twp: | <u>4S</u> | Range: | <u>95W</u> |
|------------|-------------|------------|-------------|-------------------------------|-----------|----------------|-----------------|
| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
| 07/08/2013 | 670200631 | DG | PD | SATISFACTORY Y | | | No |

Inspector Comment:

UIC - Routine inspection

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|----------------------|-------------|-------------------------------------|
| 431330 | WELL | IJ | 09/21/2013 | DSPW | 045-21850 | SG WD09B-30 N30495 | AC | <input checked="" type="checkbox"/> |
| 431332 | WELL | XX | 01/11/2013 | LO | 045-21851 | SG WD16D-30 N30495 | XX | <input type="checkbox"/> |
| 431333 | WELL | XX | 01/11/2013 | LO | 045-21852 | SG WD08C-31 N30495 | XX | <input type="checkbox"/> |
| 431334 | WELL | IJ | 09/21/2013 | DSPW | 045-21853 | SG WD14A-30 N30495 | AC | <input checked="" type="checkbox"/> |
| 431335 | WELL | XX | 01/11/2013 | LO | 045-21854 | SG WD14B-31 N30495 | XX | <input type="checkbox"/> |
| 431339 | WELL | IJ | 04/14/2014 | DSPW | 045-21855 | SG WD06C-30 N30495 | AC | <input checked="" type="checkbox"/> |
| 431340 | WELL | XX | 01/11/2013 | LO | 045-21856 | SG WD 03D-31 N30 495 | XX | <input type="checkbox"/> |
| 431341 | WELL | IJ | 09/29/2013 | DSPW | 045-21857 | SG WD01D-30 N30495 | AC | <input checked="" type="checkbox"/> |

Equipment:

Location Inventory

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| | | | |
|-------------------------------|------------------------|---------------------|--------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: <u>8</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: _____ | Separators: _____ | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: _____ |
| Electric Generators: <u>1</u> | Gas Pipeline: <u>1</u> | Oil Pipeline: _____ | Water Pipeline: <u>1</u> |
| Gas Compressors: _____ | VOC Combustor: _____ | Oil Tanks: _____ | Dehydrator Units: _____ |
| Multi-Well Pits: _____ | Pigging Station: _____ | Flare: _____ | Fuel Tanks: _____ |

Location

Lease Road:

| Type | Satisfactory/Action Required | comment | Corrective Action | Date |
|--------|------------------------------|---------|-------------------|------|
| Access | SATISFACTORY | | | |
| Main | SATISFACTORY | | | |

Signs/Marker:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|----------------------|------------------------------|---------|-------------------|---------|
| WELLHEAD | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |

Emergency Contact Number (S/AV): SATISFACTORY Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

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

Venting:

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

Flaring:

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

Predrill

Location ID: 431330

Site Preparation:
 Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

| Group | User | Comment | Date |
|-------|-----------|---|------------|
| OGLA | kubeczkod | SITE SPECIFIC COAs: 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 | 01/08/2013 |

hydraulic stimulation operations).

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.

Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface or buried pipelines.

Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations (as described on the BMPs tab and shown on 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.

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.

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.

Operator will use qualified containment devices for all appropriate chemicals/hazardous materials used onsite during the operation of the injection well.

All tanks and aboveground vessels containing fluids must have secondary containment structures. All secondary containment structures/areas must be lined. Operator must ensure 150 percent secondary containment for the largest structure containing fluids within each bermed area the facility during operations. The construction and lining of the secondary containment structures/areas shall be supervised by a professional engineer or their agent.

Operator shall equip and maintain on all tanks an electronic level monitoring device that will immediately shut in pipelines from wells.

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.

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 well, operator shall collect a groundwater sample from the Maroon 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/A/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

| BMP Type | Comment |
|---------------|---|
| Wildlife | <ul style="list-style-type: none"> • Install trench plugs (sloped to allow wildlife or livestock to exit the trench should they enter) at known wildlife or livestock trails to allow safe crossing on long spans of open trench, where appropriate, economically and technically feasible. • Perform biological surveys (on-site) for each new development, using the most recent data sets for wildlife and aquatic resources. • Perform pre-disturbance surveys when the on-site inspection and commencement of disturbance occur in different field seasons using the most recent data sets for wildlife and aquatic resources. • Utilize the Encana Wildlife Resources Matrix to identify and document (where appropriate) potential impacts or concerns during the project planning phase for proposed drilling operations and construction of roads, pads and pipelines. • Use enclosed, locking garbage receptacles or implement a strict daily trash removal regime on each temporary or permanent work location. |
| Site Specific | <ul style="list-style-type: none"> • Use solar panels as an alternative energy source for on-location production equipment, where appropriate, economically and technically feasible. • Maintain a minimum of five feet of soil cover between the pipeline and the lowest point of the drainage or water body channel. • Prohibit Encana employees and contractors from carrying projectile weapons on Encana property, except during company organized events. • Prohibit pets on Encana property. • Strategically apply fugitive dust control measures, including enforcing established speed limits on Encana private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources. |
| Construction | <ul style="list-style-type: none"> • Use multiple gathering lines placed in a single trench to minimize disturbance and construction, where appropriate, economically and technically feasible. • Install pipeline crossings at right angles to the drainages, wetlands, and perennial water bodies, where appropriate, economically and technically feasible. |

S/AV: _____ **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:

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|--|

Facility

| | | | | |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>431330</u> | Type: <u>WELL</u> | API Number: <u>045-21850</u> | Status: <u>IJ</u> | Insp. Status: <u>AC</u> |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|

| <u>Underground Injection Control</u> | | | |
|--|------------------------------|-----------------------------------|-----------------------|
| UIC Violation: _____ | | Maximum Injection Pressure: _____ | |
| <u>UIC Routine</u> | | | |
| Inj./Tube: Pressure or inches of Hg <u>1400</u> (e.g. 30 psig or -30" Hg) | Previous Test Pressure _____ | MPP _____ | Inj Zone: <u>WSTC</u> |
| TC: Pressure or inches of Hg <u>30</u> | Previous Test Pressure _____ | Last MIT: <u>07/08/2013</u> | |
| Brhd: Pressure or inches of Hg <u>0</u> | Previous Test Pressure _____ | AnnMTRReq: _____ | |
| Comment: UIC - Routine inspection | | | |
| Method of Injection: <u>PUMP FEED</u> | | | |
| Test Type: _____ | Tbg psi: _____ | Csg psi: _____ | BH psi: _____ |
| Insp. Status: _____ | | | |
| Comment: _____ | | | |

| | | | | |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>431334</u> | Type: <u>WELL</u> | API Number: <u>045-21853</u> | Status: <u>IJ</u> | Insp. Status: <u>AC</u> |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|

| <u>Underground Injection Control</u> | | | |
|---|------------------------------|-----------------------------------|-----------------------|
| UIC Violation: _____ | | Maximum Injection Pressure: _____ | |
| <u>UIC Routine</u> | | | |
| Inj./Tube: Pressure or inches of Hg <u>940</u> (e.g. 30 psig or -30" Hg) | Previous Test Pressure _____ | MPP _____ | Inj Zone: <u>WSTC</u> |
| TC: Pressure or inches of Hg <u>0</u> | Previous Test Pressure _____ | Last MIT: <u>07/08/2013</u> | |
| Brhd: Pressure or inches of Hg <u>18</u> | Previous Test Pressure _____ | AnnMTRReq: _____ | |
| Comment: UIC - Routine inspection | | | |
| Method of Injection: <u>PUMP FEED</u> | | | |
| Test Type: _____ | Tbg psi: _____ | Csg psi: _____ | BH psi: _____ |
| Insp. Status: _____ | | | |
| Comment: _____ | | | |

| | | | | |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>431339</u> | Type: <u>WELL</u> | API Number: <u>045-21855</u> | Status: <u>IJ</u> | Insp. Status: <u>AC</u> |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|

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

Underground Injection Control

UIC Violation: _____ Maximum Injection Pressure: _____

UIC Routine

Inj./Tube: Pressure or inches of Hg 1310 Previous Test Pressure _____ MPP _____
(e.g. 30 psig or -30" Hg) Inj Zone: WSTC

TC: Pressure or inches of Hg 0 Previous Test Pressure _____ Last MIT: 07/08/2013

Brhd: Pressure or inches of Hg 16 Previous Test Pressure _____ AnnMTReq: _____

Comment: UIC - Routine inspection

Method of Injection: PUMP FEED

Test Type: _____ Tbg psi: _____ Csg psi: _____ BH psi: _____

Insp. Status: _____

Comment: _____

Facility ID: 431341 Type: WELL API Number: 045-21857 Status: IJ Insp. Status: AC

Underground Injection Control

UIC Violation: _____ Maximum Injection Pressure: _____

UIC Routine

Inj./Tube: Pressure or inches of Hg 1000 Previous Test Pressure _____ MPP _____
(e.g. 30 psig or -30" Hg) Inj Zone: WSTC

TC: Pressure or inches of Hg 0 Previous Test Pressure _____ Last MIT: 07/08/2013

Brhd: Pressure or inches of Hg 18 Previous Test Pressure _____ AnnMTReq: _____

Comment: UIC - Routine inspection

Method of Injection: PUMP FEED

Test Type: _____ Tbg psi: _____ Csg psi: _____ BH psi: _____

Insp. Status: _____

Comment: _____

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: 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 _____

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? Pass

Production areas have been stabilized? Pass 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? _____ P _____

Comment: _____

Overall Interim Reclamation Pass

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 _____

Inspector Name: BROWNING, CHUCK

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Gravel | Pass | Gravel | Pass | MHSP | Pass | |

S/A/V: SATISFACTOR Corrective Date: _____
Y

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT