Inspector Name: CONKLIN, CURTIS

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

Inspection Date: 07/18/2014

Document Number: 675200256

Overall Inspection: SATISFACTORY

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	422420	422420	CONKLIN, CURTIS	☐	

Operator Information:

OGCC Operator Number: 10433

Name of Operator: PICEANCE ENERGY LLC

Address: 1512 LARIMER STREET #1000

City: DENVER State: CO Zip: 80202

☐ 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
Bankert, Wayne	(970) 683-5419	wbankert@laramie-energy.com	Senior Regulatory & Environmental Coordinator
Kellerby, Shaun		shuan.kellerby@state.co.us	NW Supervisor

Compliance Summary:

QtrQtr: NWNW Sec: 17 Twp: 9S Range: 94W

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
423243	WELL	XX	05/19/2011	LO	077-10158	Hawxhurst 08-13C	ND	X
423247	WELL	PR	06/10/2014	GW	077-10159	Hawxhurst 17-05B	PR	X
423252	WELL	PR	07/10/2014	GW	077-10160	Hawxhurst 17-03C	PR	X

Equipment: Location Inventory

Special Purpose Pits:		Drilling Pits:		Wells:	21	Production Pits:	
Condensate Tanks:	11	Water Tanks:	11	Separators:	6	Electric Motors:	
Gas or Diesel Mortors:		Cavity Pumps:		LACT Unit:		Pump Jacks:	
Electric Generators:		Gas Pipeline:	1	Oil Pipeline:		Water Pipeline:	1
Gas Compressors:		VOC Combustor:	1	Oil Tanks:		Dehydrator Units:	
Multi-Well Pits:		Pigging Station:		Flare:		Fuel Tanks:	

Location

Lease Road:

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	ACTION REQUIRED	Pump spots and ruts on road	Use BMPs to address	09/19/2014
Main	SATISFACTORY	59.8 Rd		

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Signs/Marker:

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

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date:

Comment: Nearest public road not listed

Corrective Action:

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
STORAGE OF SUPL	SATISFACTORY	Production tree at tanks		

Spills:

Type	Area	Volume	Corrective action	CA Date

☐ Multilple Spills and Releases?

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Vertical Heated Separator	2	SATISFACTORY	No containment		
Ancillary equipment	1	SATISFACTORY	Chem unit w/ containment		
Plunger Lift	1	SATISFACTORY			
Bird Protectors	1	SATISFACTORY			
Gathering Line	1	SATISFACTORY			
Emission Control Device	1	SATISFACTORY	Lit at time of inspection		

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Facilities: New Tank Tank ID:

Contents	#	Capacity	Type	SE GPS
CONDENSATE	2	300 BBLS	STEEL AST	,

S/A/V:	SATISFACTORY	Comment:	
Corrective Action:		Corrective Date:	

Paint

Condition	Adequate

Other (Content)

Other (Capacity)

Other (Type)

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficent	Base Sufficient	Adequate

Corrective Action		Corrective Date	
Comment			

Venting:	
Yes/No	Comment
NO	

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 422420

Site Preparation:

Lease Road Adeq.: Pads: Soil Stockpile:

S/A/V:

Corrective Action: Date: CDP Num.:

Form 2A COAs:

Group	User	Comment	Date
Permit	sharpd	Operator timing on application to change well spacing has been requested. Present 160 acre spacing units preclude 21 well drilling package.	03/11/2011
OGLA	kubeczkod	Initiated/Completed OGLA Form 2A review on 03-28-11 by Dave Kubeczko; requested acknowledgement of fluid containment, spill/release BMPs, lined pits/closed loop, flowback to tanks, tank berming, sediment control access and pad, and cuttings low moisture content COAs from operator on 03-28-11; received acknowledgement of COAs from operator on 03-?-10; passed by CDOW on 03-08-11 with operator submitted BMPs (with permit application) and WMP acceptable; passed OGLA Form 2A review on 03-29-11 by Dave Kubeczko; fluid containment, spill/release BMPs, lined pits/closed loop, flowback to tanks, tank berming, sediment control access and pad, and cuttings low moisture content COAs.	03/28/2011

OGLA	kubeczkod	GENERAL SITE COAs: Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried pipelines. A closed loop system (as indicated by operator on the Form 2A) must be implemented, otherwise, Any pit constructed to hold fluids (reserve pit, production pit, frac pit; except for flare pit, if built) must be lined. Operator must ensure 110 percent 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. Flowback and stimulation fluids must be sent to tanks to allow the sand to settle out before the fluids can be placed into any pipeline or pit located on the well pad. The flowback and stimulation fluid tanks 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 (per Rule 604.a.(4)). Berms or other containment devices shall be constructed in compliance with Rule 604.a.(4) around crude oil, condensate, and produced water storage tanks. The location is in an area of high run off/run-on potential (steep grade to the west) and underlain by fine grained loams; therefore the pad shall be constructed to prevent any stormwater run-on and/or stormwater runoff. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff. The access road will be constructed as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water. 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, the drill cuttings must also meet the applicable standards of table 910-1.	03/28/2011

S/A/V: _____ **Comment:** No drill operations at time of inspection.

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Storm Water/Erosion Control	CDPHE Stormwater Permit No. COR03G719 effective 8/17/2010
Wildlife	WMP signed with DOW 01-11-2011.

S/A/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

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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: 423243 Type: WELL API Number: 077-10158 Status: XX Insp. Status: ND

Facility ID: 423247 Type: WELL API Number: 077-10159 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 423252 Type: WELL API Number: 077-10160 Status: PR Insp. Status: PR

Producing Well

Comment: PR

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: _____

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Pilot: Wildlife Protection Devices (fired vessels):

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: HAY MEADOW, IRRIGATED

Comment:

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

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? _____ CM _____

CA _____ CA Date _____

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

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: HAY MEADOW, IMPROVED PASTURE, IRRIGATED

Reminder: _____

Comment:

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

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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
Compaction		Culverts	Pass			
Ditches	Pass	Ditches	Pass			
Drains	Pass	Gravel	Pass			
Gravel	Pass	Retention Ponds	Pass			
Retention Ponds	Pass	Rip Rap	Pass			
Berms	Pass	Compaction		MHSP	Pass	
Seeding	Pass					

S/A/V: ACTION REQUIRED Corrective Date: 08/18/2014

Comment: Subsidence over lines from separators to tanks. Multiple pump spots and ruts along access road. See attached photos.

CA: Use BMPs to address

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Subsidence over lines to tanks and pump spots in road should be resolved with operator BMPs.	conklinc	07/18/2014

Attached Documents

You can go to COGCC Images (https://cogcc.state.co.us/weblink/) and search by document number:

Document Num	Description	URL
675200258	Subsidence	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3389986