

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:
08/01/2014

Document Number:
675200327

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|------------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>421617</u> | <u>421617</u> | <u>CONKLIN, CURTIS</u> | <input type="checkbox"/> | |

Operator Information:

OGCC Operator Number: 96850

Name of Operator: WPX ENERGY ROCKY MOUNTAIN LLC

Address: 1001 17TH STREET - SUITE #1200

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 |
|------------------|--------------------------|-------------------------------|---------------|
| Kellerby, Shaun | | shuan.kellerby@state.co.us | NW Supervisor |
| Gardner, Michael | (970) 285-9377 ext. 2760 | Michael.Gardner@WPXEnergy.com | |
| Moss, Brad | (970) 285-9377 | Brad.Moss@WPXEnergy.com | |

Compliance Summary:

QtrQtr: NWSW Sec: 13 Twp: 7S Range: 95W

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|-------------------|-------------|-------------------------------------|
| 421622 | WELL | PR | 06/10/2013 | OW | 045-20418 | Federal SP 323-13 | PR | <input checked="" type="checkbox"/> |
| 421624 | WELL | PR | 06/10/2013 | OW | 045-20419 | Federal SP 534-14 | PR | <input checked="" type="checkbox"/> |
| 421625 | WELL | PR | 05/31/2013 | GW | 045-20420 | Federal SP 514-13 | PR | <input checked="" type="checkbox"/> |
| 421636 | WELL | PR | 05/29/2013 | GW | 045-20421 | Federal SP 424-13 | PR | <input checked="" type="checkbox"/> |
| 421637 | WELL | PA | 11/08/2011 | GW | 045-20422 | Federal SP 13-13 | PA | <input type="checkbox"/> |
| 421640 | WELL | PR | 06/10/2013 | GW | 045-20423 | Federal SP 43-14 | PR | <input checked="" type="checkbox"/> |

Equipment:

Location Inventory

| | | | |
|------------------------------|------------------------|------------------------|--------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: <u>6</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: _____ | Separators: <u>6</u> | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: _____ |
| Electric Generators: _____ | Gas Pipeline: <u>1</u> | Oil Pipeline: <u>2</u> | Water Pipeline: <u>1</u> |
| Gas Compressors: _____ | VOC Combustor: _____ | Oil Tanks: _____ | Dehydrator Units: _____ |
| Multi-Well Pits: _____ | Pigging Station: _____ | Flare: <u>1</u> | Fuel Tanks: _____ |

Location

| Lease Road: | | | | |
|--------------------|------------------------------|---------|-------------------|------|
| Type | Satisfactory/Action Required | comment | Corrective Action | Date |
| Access | SATISFACTORY | | | |

| Signs/Marker: | | | | |
|----------------------|------------------------------|--------------------------|--|-------------------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| CONTAINERS | ACTION REQUIRED | Incorrect signage | Install sign to comply with rule 210. | 09/01/2014 |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |
| WELLHEAD | SATISFACTORY | | | |

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

Comment: _____

Corrective Action: _____

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

| Fencing/: | | | | |
|------------------|------------------------------|---------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WELLHEAD | SATISFACTORY | Panels | | |

| Equipment: | | | | | |
|-----------------------------|---|------------------------------|-----------------------------------|-------------------|---------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Bird Protectors | 4 | SATISFACTORY | | | |
| Horizontal Heated Separator | 8 | SATISFACTORY | No containment | | |
| Ancillary equipment | 2 | SATISFACTORY | Chem Units w/ containments | | |

Facilities: New Tank Tank ID: _____

| | | | | |
|--------------------|--------------|----------|-----------|-----------------------|
| Contents | # | Capacity | Type | SE GPS |
| PRODUCED WATER | 1 | 300 BBLS | STEEL AST | 39.435590,-107.956120 |
| S/A/V: | SATISFACTORY | | Comment: | Blowdown |
| Corrective Action: | | | | Corrective Date: |

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

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 | | | | |

Facilities: New Tank Tank ID: _____

| | | | | |
|--------------------|--------------|-----------|-----------|-----------------------|
| Contents | # | Capacity | Type | SE GPS |
| PRODUCED WATER | 1 | <100 BBLS | STEEL AST | 39.435440,-107.955570 |
| 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 Sufficient | 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: 421617

Site Preparation:

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

S/AV: _____

Corrective Action: _____

Date: _____

CDP Num.: _____

Form 2A COAs:

| Group | User | Comment | Date |
|-------|------|---------|------|
|-------|------|---------|------|

| | | | |
|-------------|-----------------|--|-------------------|
| <p>OGLA</p> | <p>kubeczko</p> | <p>PROJECT RULISON COAs</p> <p>Comply with all DOE Office of Legacy Management requests for sampling and analysis of natural gas and other materials associated with drilling and production.</p> <p>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.</p> <p>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)). Submit a secondary and tertiary containment plan via sundry notice Form 4 for the tanks to Dave Kubeczko via email (dave.kubeczko@state.co.us) and the Project Rulison COGCC mailbox (rulison.submittal@state.co.us) and obtain approval of the plan prior to flowback.</p> <p>Produced water from this location may not be transported to or re-used at another location without specific written approval from COGCC and only after analysis confirms compliance with the Rulison Sampling and Analysis Plan (SAP).</p> <p>Drill solids and cuttings from this location may not be transported to, disposed of or re-used at another location without specific written approval from COGCC and only after analysis confirms compliance with the Rulison Sampling and Analysis Plan (SAP).</p> <p>A closed loop mud system shall be utilized to ensure containment of all materials that have been in contact with downhole strata and fluids. All cuttings and fresh make up water storage pits shall be lined to ensure containment. Contour features, french drains and other stormwater BMPs as necessary shall be employed to ensure site integrity.</p> <p>No individual operator shall utilize more than one rig within one mile of the Project Rulison blast site at any given time and no individual operator shall utilize more than two rigs within a three mile radius of the site at any given time. The total number of rigs allowed by all operators within three miles of the site shall be limited to five at any given time.</p> <p>Operator shall comply with all provisions of the most recent COGCC approved revision of the Rulison Sampling and Analysis Plan (SAP). In addition to the produced water sampling and analysis outlined in section 5.8 of the plan the operators shall also obtain and analyze produced water samples on wells described in the plan for constituents listed in the plan using the specified method where applicable.</p> <p>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.</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>01/20/2011</p> |
|-------------|-----------------|--|-------------------|

| | | | |
|-------------|------------------|---|-------------------|
| <p>OGLA</p> | <p>kubeczkod</p> | <p>GENERAL COAs</p> <p>Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us), the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us); and the Project Rulison COGCC mailbox (rulison.submittal@state.co.us) 48 hours prior to start of construction.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines.</p> <p>The nearby hillside must be monitored for any day-lighting of drilling fluids throughout the drilling of the surface casing interval.</p> <p>Berms or other containment devices shall be constructed in compliance with Rule 604.a.(4) around crude oil, condensate, and produced water storage tanks.</p> <p>The access road will be constructed to prevent sediment migration from the access road to nearby surface water or any drainages leading to other nearby surface waters. 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.</p> <p>The location is in an area of high runoff/run-on potential at the proposed pad area from steep areas to the south-southeast; therefore the pad shall be constructed as quickly as possible and appropriate BMPs need to be in place both during and after well pad construction, as well as during all drilling and well completion operations. 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. Slopes with potential for runoff should be stabilized immediately following pad construction.</p> <p>Operator will conduct regular inspections of equipment for leaks and equipment problems with appropriate documentation retained in the operator's office. All equipment deficiencies shall be corrected. Monitoring should end approximately 30 days after well completion and/or after production has been stabilized; however, timely inspections should continue during the production phase.</p> <p>Operator will use adequately sized containment devices for all chemicals and/or hazardous materials stored or used on location.</p> | <p>01/20/2011</p> |
|-------------|------------------|---|-------------------|

S/A/V: _____ **Comment:** No drilling or completion operations at time of inspection.

CA: _____ **Date:** _____

Wildlife BMPs:

S/A/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: 421622 Type: WELL API Number: 045-20418 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 421624 Type: WELL API Number: 045-20419 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 421625 Type: WELL API Number: 045-20420 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 421636 Type: WELL API Number: 045-20421 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 421640 Type: WELL API Number: 045-20423 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:

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? _____ 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: 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 |
| Gravel | | | | | | |
| Berms | | Compaction | | | | |
| Drains | | Gravel | | | | |
| Retention Ponds | | | | | | |
| Compaction | | Ditches | | | | |

S/A/V: **ACTION REQUIRED** Corrective Date: **10/01/2014**

Comment: **Erosion on cut slope. Two areas with erosion and rilling on fill side. Area on access road with rilling and sediment going into vegetation apprx. 15 feet. See attached photos.**

CA: **Use BMPs to correct**

Pits: NO SURFACE INDICATION OF PIT

| COGCC Comments | | |
|---|----------|------------|
| Comment | User | Date |
| Install correct signage on containers. Use BMPs to address erosion on cut slope two areas with erosion and rilling on fill side, and area on access road with rilling and sediment going into vegetation apprx. See attached photos. | conklinc | 08/01/2014 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------|---|
| 675200331 | Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3399440 |