

**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:
09/02/2014Document Number:
673401065

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 418818 | 418821 | Waldron, Emily | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 90450Name of Operator: TRUE OIL LLCAddress: P O BOX 2360City: CASPER State: WY Zip: 82601

- ☒ 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 |
|-----------------|----------------|----------------------------|---------|
| santo, john | (307) 237-9301 | john.santo@truecos.com | |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |

Compliance Summary:QtrQtr: NESW Sec: 15 Twp: 6N Range: 89W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 10/25/2013 | 673400040 | PR | PR | ACTION REQUIRED | F | | No |
| 07/27/2012 | 669300002 | PR | SI | ACTION REQUIRED | F | | No |
| 05/11/2012 | 662300486 | PR | PR | ALLEGED VIOLATION | F | | Yes |
| 11/14/2011 | 662300016 | XX | WO | ALLEGED VIOLATION | | | Yes |
| 05/17/2011 | 200314592 | PR | WO | SATISFACTORY | | | No |
| 01/03/2011 | 200290744 | DG | DG | SATISFACTORY | | | No |

Inspector Comment:**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|-------------------|-------------|-------------------------------------|
| 418818 | WELL | PR | 12/27/2011 | OW | 107-06240 | Breeze Unit 23-15 | PR | <input checked="" type="checkbox"/> |

Equipment:Location Inventory

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

Location

Inspector Name: Waldron, Emily

| Signs/Marker: | | | | |
|----------------------|------------------------------|---|---------------------------------------|------------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| BATTERY | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | ACTION REQUIRED | Incomplete tank labels. Labels must contain operator, emergency contact, contents, capacity and NFPA diamond. | Install sign to comply with rule 210. | 10/02/2014 |
| WELLHEAD | ACTION REQUIRED | No sign at wellhead. | Install sign to comply with rule 210. | 10/02/2014 |

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

Comment: 307-237-9301

Corrective Action: _____

| Good Housekeeping: | | | | |
|---------------------------|------------------------------|---------------------------|-----------------------------------|------------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WEEDS | ACTION REQUIRED | Annual weeds on location. | Implement a weed control program. | 10/02/2014 |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|------|------|--------|-------------------|---------|
|------|------|--------|-------------------|---------|

☐ Multiple Spills and Releases?

| Equipment: | | | | | |
|--------------------|---|------------------------------|---------|-------------------|---------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Deadman # & Marked | 4 | SATISFACTORY | | | |
| Plunger Lift | 1 | SATISFACTORY | | | |

Facilities: ☐ New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|-----------|---|----------|-----------|-----------------------|
| CRUDE OIL | 1 | 400 BBLS | STEEL AST | 40.473240,-107.362860 |

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 |
|-------|----------|---------------------|---------------------|-------------|
| Earth | Adequate | Walls Sufficient | | Adequate |

Corrective Action: _____ Corrective Date: _____

Comment: Some weeds growing on berm.

| | |
|-----------------|---------|
| Venting: | |
| Yes/No | Comment |
| | |

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

Predrill

Location ID: 418818

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:

| Group | User | Comment | Date |
|--------|-----------|---|------------|
| Agency | kubeczkod | Location may be in a sensitive area because of the potential for shallow groundwater; therefore either a lined drilling pit or closed loop system must be implemented. | 08/06/2010 |
| Agency | kubeczkod | Operator must implement best management practices to contain any unintentional release of fluids. | 08/06/2010 |
| Permit | edelenr | Before placing oil/salt based muds in the pit, operator must file and receive prior approval of a Pit Permit, Form 15, COGCC regulations regarding pit permits can be found Rule 903.a.(3). PIT PERMITTING/REPORTING REQUIREMENTS. | 08/17/2010 |
| Agency | kubeczkod | Location may be in a sensitive area because of the potential for shallow groundwater; therefore production pits must be lined. | 07/16/2010 |
| Agency | kubeczkod | Location is in a sensitive area because of proximity to surface water; therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations. | 08/06/2010 |

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

Inspector Name: Waldron, Emily

| | |
|--|---|
| Landman Name: _____ | Phone Number: _____ |
| Date Onsite Request Received: _____ | Date of Rule 306 Consultation: _____ |
| Request LGD Attendance: _____ | |
| <u>LGD Contact Information:</u> | |
| Name: _____ | Phone Number: _____ Agreed to Attend: _____ |
| <u>Summary of Landowner Issues:</u> | |
| | |
| <u>Summary of Operator Response to Landowner Issues:</u> | |
| | |
| <u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u> | |
| | |

Facility

Facility ID: 418818 Type: WELL API Number: 107-06240 Status: PR Insp. Status: PR

Producing Well

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:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Complaint:

| Tracking Num | Category | Assigned To | Description | Incident Date |
|--------------|-----------------|--------------|---|---------------|
| 200331374 | PITS | Neidel, Kris | pit is still open from drilling. | 12/01/2011 |
| 200331374 | STORMWATER BMPs | Neidel, Kris | topsoil stock pile is just off the pad, there are no BMP's in place to keep soil from washing away. | 12/01/2011 |
| 200331374 | TRASH | Neidel, Kris | 3 bottles filled with oil on location, they are assumed to be trash. There is a bag of trash | 12/01/2011 |

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 REVEGETATIONCropland

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 _____

Inspector Name: Waldron, Emily

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Ditches | Pass | | | | | |

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

Comment: No apparent soil migration; erosion or soil movement.

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| Follow up to inspection from 10/25/2013 (document number 673400040). Some corrective actions have been performed, the ones listed in this report remain outstanding. | waldrone | 09/09/2014 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 673401079 | Location overview | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3432014 |

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)