

**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:
09/16/2014Document Number:
673801386

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	436073	436071	Gomez, Jason	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10459Name of Operator: EXTRACTION OIL & GAS LLCAddress: 1888 SHERMAN ST #200City: DENVER State: CO Zip: 80203

- ☐ 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
Tonello, John		jtonello@extractionog.com	

Compliance Summary:QtrQtr: SESE Sec: 13 Twp: 6N Range: 67W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
436070	WELL	DG	03/03/2014	LO	123-38912	RUBYANNA 13C-28W	PR	<input checked="" type="checkbox"/>
436072	WELL	DG	03/03/2014	LO	123-38913	Rubyanna 13C-25W	PR	<input checked="" type="checkbox"/>
436073	WELL	DG	05/15/2014	LO	123-38914	RUBYANNA 13C-32W	PR	<input checked="" type="checkbox"/>
436074	WELL	DG	05/07/2014	LO	123-38915	RUBYANNA 13C-30W	PR	<input checked="" type="checkbox"/>
436084	WELL	DG	04/17/2014	LO	123-38920	RUBYANNA 13NB-29W	PR	<input checked="" type="checkbox"/>
436085	WELL	DG	02/20/2014	LO	123-38921	RUBYANNA 13NB-27W	PR	<input checked="" type="checkbox"/>
436089	WELL	DG	03/03/2014	LO	123-38923	RUBYANNA 13NC-26W	PR	<input checked="" type="checkbox"/>
436092	WELL	DG	04/29/2014	LO	123-38924	RUBYANNA 13NB-31W	PR	<input checked="" type="checkbox"/>
437687	PIT	AC	06/23/2014		-	Rubyanna 13 Pad	AC	<input type="checkbox"/>

Equipment:Location Inventory

Special Purpose Pits: <u> </u>	Drilling Pits: <u>1</u>	Wells: <u>8</u>	Production Pits: <u> </u>
Condensate Tanks: <u>16</u>	Water Tanks: <u>8</u>	Separators: <u>8</u>	Electric Motors: <u> </u>
Gas or Diesel Mortors: <u> </u>	Cavity Pumps: <u> </u>	LACT Unit: <u> </u>	Pump Jacks: <u> </u>
Electric Generators: <u> </u>	Gas Pipeline: <u> </u>	Oil Pipeline: <u> </u>	Water Pipeline: <u> </u>
Gas Compressors: <u> </u>	VOC Combustor: <u> </u>	Oil Tanks: <u> </u>	Dehydrator Units: <u> </u>
Multi-Well Pits: <u> </u>	Pigging Station: <u> </u>	Flare: <u>4</u>	Fuel Tanks: <u> </u>

Location

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	ACTION REQUIRED	No signs on wellhead	Install sign to comply with rule 210.	10/30/2014
TANK LABELS/PLACARDS	ACTION REQUIRED	No labeling on small ground tanks	Install sign to comply with rule 210.	10/30/2014
BATTERY	SATISFACTORY			

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
UNUSED EQUIPMENT	ACTION REQUIRED	Unused frac tank on location as well as unused piping and hoses unused parts to wellheads, unused fence panels on location	Remove unused equipment	10/31/2014

Spills:				
Type	Area	Volume	Corrective action	CA Date
Other	WELLHEAD	<= 5 bbls	Stained soil at 7 of the wellheads at location. Remove or remediate stained soil at locations	09/30/2014
Crude Oil	WELLHEAD	<= 5 bbls	1 well cellar containing approx 1/2 BBL of what appears to be crude oil from wellhead. Potential hazard to environment if rain overflows wellhead cellar. Repair wellhead and remove crude oil	09/26/2014
Crude Oil	WELLHEAD	<= 5 bbls	1 Well cellar containing approx 5 to 10 gallons on what appears to be crude oil. Potential hazard to environment if rain overflows wellhead cellar. Repair wellhead and remove crude oil	09/26/2014
Other	Tank	<= 5 bbls	Stained oil in berm and at truck load out areas, thief hatch leaks. Remove or remediate all stained soil at site	09/30/2014

☐ Multiple Spills and Releases?

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Plunger Lift	8	SATISFACTORY			
Horizontal Heated Separator	1	ACTION REQUIRED	Stained soil in dog house of separator.	Repair leak and remove or remediate stained soil	09/30/2014
Ancillary equipment	1	SATISFACTORY	Telemetry control panel		
VRU	4	SATISFACTORY			
Emission Control Device	7	SATISFACTORY			
Vertical Separator	4	SATISFACTORY			
Horizontal Heated Separator	7	SATISFACTORY			

Inspector Name: Gomez, Jason

Bird Protectors	16	SATISFACTORY			
Ancillary equipment	2	SATISFACTORY	Solar panel		
Emission Control Device	1	ACTION REQUIRED	No pilot light	Restart and repair pilot light	09/30/2014
Gas Meter Run	15	SATISFACTORY			

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
USED OIL	1	<50 BBLS	CONCRETE SUMP/VAULT	40.483120,-104.833130

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

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action		Corrective Date	
Comment			

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
	1	<50 BBLS	CONCRETE SUMP/VAULT	40.482960,-104.832880

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

Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action		Corrective Date	
Comment			

Facilities:		<input type="checkbox"/> New Tank		Tank ID: _____	
Contents	#	Capacity	Type	SE GPS	
	1	<50 BBLS	CONCRETE SUMP/VAULT	40.482960,-104.832880	
S/A/V:	SATISFACTORY		Comment:		
Corrective Action:				Corrective Date:	
<u>Paint</u>					
Condition	Adequate				
Other (Content) _____					
Other (Capacity) _____					
Other (Type) _____					
<u>Berms</u>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Corrective Action				Corrective Date	
Comment					

Facilities:		<input type="checkbox"/> New Tank		Tank ID: _____	
Contents	#	Capacity	Type	SE GPS	
PRODUCED WATER	4	400 BBLS	STEEL AST	40.482430,-104.832650	
S/A/V:	SATISFACTORY		Comment:		
Corrective Action:				Corrective Date:	
<u>Paint</u>					
Condition	Adequate				
Other (Content) _____					
Other (Capacity) _____					
Other (Type) _____					
<u>Berms</u>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate	Walls Sufficent	Base Sufficient	Adequate	
Corrective Action				Corrective Date	
Comment					

Facilities:		<input type="checkbox"/> New Tank		Tank ID: _____	
Contents	#	Capacity	Type	SE GPS	
CRUDE OIL	18	400 BBLS	STEEL AST	40.482430,-104.832650	
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
<u>Predrill</u>					
Location ID: 436073					
Site Preparation:					
Lease Road Adeq.: _____		Pads: _____		Soil Stockpile: _____	
S/A/V: _____					
Corrective Action: _____		Date: _____		CDP Num.: _____	
Form 2A COAs:					
S/A/V: _____		Comment: _____			
CA: _____				Date: _____	
Wildlife BMPs:					
BMP Type	Comment				
Drilling/Completion Operations	Bradenhead Monitoring BMP: Operator will comply with COGCC Policy for Bradenhead Monitoring During Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.				
Material Handling and Spill Prevention	Tank specifications. Tanks will be designed, constructed and maintained in accordance with NFPA Code 30. The tanks are visually inspected once a day for issues, and recorded inspections are conducted once a month.				
Planning	Development from existing well pads. These additional wells are located on an already approved location assessment and have been clustered in two lines to minimize surface disturbance area and cut and fill volumes.				

Emissions mitigation	Green Completions – Emission Control Systems. Test separators and associated flow lines and sand traps shall be installed on-site to accommodate Green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flowback gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flowback within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustion where non-combustible gases are present.
Final Reclamation	Well site cleared. Within 90-day subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site.
Drilling/Completion Operations	Blowout preventer equipment (“BOPE”). A double ram and annular preventer will be used during drilling. At least the drilling company shall have a valid well blowout
PROPOSED BMPs	Operator will remove only the minimum amount of vegetation required for construction of freshwater pit. Plan to conserve topsoil excavations and store in a designated area for reuse after pit has been reclaimed. No construction or maintenance activities will be performed during periods when the soil/roads are too wet to adequately support construction equipment.
Drilling/Completion Operations	Guy line anchors. All guy line anchors shall be brightly marked pursuant to Rule 604.c(2)Q.
Drilling/Completion Operations	Anti-Collision BMP: Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed wells. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as constructed gyro survey will be submitted to COGCC with the Form 5.
Drilling/Completion Operations	Control of fire hazards. All materials which are considered fire hazards shall be a minimum of 25’ from the wellhead tanks or separators. Electrical equipment shall comply with API RP 500 and will comply with the current national electrical code.
	604.c.(2)B.v - Escape provision: this pit will be equipped with emergency escape provisions should there be inadvertent human access; such provisions may consist of a ramp, hand-holds or traction devices, and will not compromise the pit liner.
Material Handling and Spill Prevention	Loadlines. All loadlines shall be bullplugged or capped.
Drilling/Completion Operations	BOPE for well servicing operations. Adequate BOP equipment shall be used. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.
General Housekeeping	Fencing requirements. A meeting with the surface owner will determine fencing plan.
Drilling/Completion Operations	A closed-loop system will be used during drilling.
General Housekeeping	Removal of surface trash. All trash, debris and material not intrinsic to the operation of the oil and gas facility shall be removed and legally disposed of as applicable.
PROPOSED BMPs	Pit dimensions will be consistent with the scaled pit design submitted with the pit application (Form 15). A 36 millimeter thick synthetic liner will be used, and 2 feet of freeboard will be maintained at all times. Please reference pit design for additional information.
Drilling/Completion Operations	Drill stem tests. Not applicable; no Drill Stem tests are planned.
Drilling/Completion Operations	During fracing operations on-site personnel will monitor the pit fluid level on a 24 hour basis to ensure a minimum of 2 feet freeboard is maintained. Operator will make use of straw hay bales, gravel and other measures to prevent erosion, storm water run-off and site degradation during pit use.
Planning	Multi-well Pads. It is a multi-well pad located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas and complies with the wishes of the surface owner.

Planning	Site-specific measures. This location has been designed to mitigate the visual impacts to the surrounding properties.
Final Reclamation	All surface restoration will be accomplished immediately following fracing operations, and to the satisfaction of the surface owner. The synthetic liner will be removed, pit backfilled, and site reclaimed and graded per the consistent with original condition.
Traffic control	Access roads. The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times.
Final Reclamation	Identification of plugged and abandoned wells. P&A'd wells shall be inditified persuant to 319.a. (5).
PROPOSED BMPs	During fracing operations on-site personnel will monitor the pit fluid level on a 24 hour basis to ensure a minimum of 2 feet freeboard is maintained. Operator will make use of straw hay bales, gravel and other measures to prevent erosion, storm water run-off and site degradation during pit use.
Pre-Construction	Pit dimensions will be consistent with the scaled pit design submitted with the pit application (Form 15). A 36 millimeter thick synthetic liner will be used, and 2 feet of freeboard will be maintained at all times. Please reference pit design for additional information.
Noise mitigation	Noise. The drilling site is far enough away from the building unit that noise mitigation is not required.
Construction	Berm construction. Tank berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition
Traffic control	Traffic Plan. Traffic will be routed to minimize local interruption.
Construction	Operator will remove only the minimum amount of vegetation required for construction of freshwater pit. Plan to conserve topsoil excavations and store in a designated area for reuse after pit has been reclaimed. No construction or maintenance activities will be performed during periods when the soil/roads are too wet to adequately support construction equipment.
PROPOSED BMPs	All surface restoration will be accomplished immediately following fracing operations, and to the satisfaction of the surface owner. The synthetic liner will be removed, pit backfilled, and site reclaimed and graded per the consistent with original condition.
Material Handling and Spill Prevention	Leak Detection Plan. Pumper will visit the location daily and visually inspect all tanks and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR §112.
	604.c.(2)B.iv - Pit Signage: a conspicuous sign will be posted at this site and will include the pit name, operator's name and contact information, and a statement indicating that no fluids other than fresh water are permitted in this pit.

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: _____

Inspector Name: Gomez, Jason

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 436070 Type: WELL API Number: 123-38912 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436072 Type: WELL API Number: 123-38913 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436073 Type: WELL API Number: 123-38914 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436074 Type: WELL API Number: 123-38915 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436084 Type: WELL API Number: 123-38920 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436085 Type: WELL API Number: 123-38921 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436089 Type: WELL API Number: 123-38923 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436092 Type: WELL API Number: 123-38924 Status: DG Insp. Status: 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): Y _____

Comment: _____

Pilot: ON _____ Wildlife Protection Devices (fired vessels): YES _____

Reclamation - Storm Water - Pit**Interim Reclamation:**

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

Land Use: DRY LAND

Comment: _____

1003a. Debris removed? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? Fail CM Thread caps bags on location

CA Remove bags from location CA Date 09/30/2014

Unused or unneeded equipment onsite? Pass CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____ CM _____

CA _____ CA Date _____

Guy line anchors removed? Pass CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

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

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? In _____ Segregated soils have been replaced? In _____

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: _____

Inspector Name: Gomez, Jason

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____

Date Final Reclamation Completed: _____

Final Land Use: DRY LAND

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	Pass					
Berms	Pass					

S/A/V: SATISFACTOR
Y

Corrective Date: _____

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

Permit:	Facility ID	Permit Num	Expiration Date
	437687	400590966	
	437687	400590966	

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.)