

**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:
09/17/2014Document Number:
668302573

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 201225 | 319744 | JOHNSON, RANDELL | <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 |
|---------------|--------------|--------------------------|---------------------------|
| Silva, Jesse | 970-396-0421 | jsilva@extractionog.com | Operations Manager |
| Owens, Matt | 720-382-2693 | mowens@extractionog.com | President |
| Keidel, Janni | 720-382-2682 | jkeidel@extractionog.com | Sr. Regulatory Specialist |

Compliance Summary:QtrQtr: SESE Sec: 20 Twp: 1S Range: 67W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 09/11/2006 | 200096042 | BH | PR | SATISFACTORY | | Pass | No |
| 12/10/2004 | 200063718 | PR | PR | ACTION REQUIRED | | Fail | Yes |
| 05/01/2000 | 895840 | CO | PR | SATISFACTORY | | Pass | No |
| 02/28/2000 | 895299 | PR | PR | ACTION REQUIRED | | Fail | Yes |
| 10/06/1997 | 500131407 | PR | PR | | | Fail | Yes |

Inspector Comment:**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|------------------|--|
| 102329 | PIT | | 09/23/1999 | | - | Aylor 1 | <input type="checkbox"/> |
| 113675 | PIT | | 09/23/1999 | | - | MABEL A. AYLOR 1 | <input type="checkbox"/> |
| 201225 | WELL | PR | 04/30/2008 | OW | 001-06628 | AYLOR, MABEL 1 | PR <input checked="" type="checkbox"/> |

Equipment:Location Inventory

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: _____ | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: _____ | Separators: _____ | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: _____ |
| Electric Generators: _____ | Gas Pipeline: _____ | Oil Pipeline: _____ | Water Pipeline: _____ |
| 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 | ACTION REQUIRED | Rutting and erosion along lease access road/See attached photos on last page of document | Repair erosion damage along lease access road and implement stormwater best management practices to mitigate further erosion. | 10/31/2014 |

Signs/Marker:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|----------------------|------------------------------|--|---------------------------------------|-------------------|
| TANK LABELS/PLACARDS | ACTION REQUIRED | Steel crude oil tank does not have the required capacity signage | Install sign to comply with rule 210. | 10/31/2014 |
| WELLHEAD | SATISFACTORY | | | |
| BATTERY | | | | |
| TANK LABELS/PLACARDS | ACTION REQUIRED | Fiberglass produced water tank does not have the required capacity signage | Install sign to comply with rule 210. | 10/31/2014 |

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|-------|------------------------------|--|-------------------|------------|
| WEEDS | ACTION REQUIRED | Weeds on locations/See attached photos on last page of document eds on locations | Remove weeds | 10/01/2014 |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|-------|-----------|-----------|---|------------|
| Other | Pump Jack | <= 5 bbls | Remove or remediate stained soil caused by leaking contaminants from pumpjack motor/See attached photos on last page of document | 10/17/2014 |
| PW/CO | Tank | <= 5 bbls | Remove or remediate hardened contaminated soil underneath front load valve on crude oil tank/See attached photos on last page of document | 10/17/2014 |

☐ Multiple Spills and Releases?

| Fencing/: | | | | |
|------------------|------------------------------|-------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| PUMP JACK | SATISFACTORY | Rod fencing | | |

| Equipment: | | | | | |
|-----------------------------|---|------------------------------|---|--------------------------------|------------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Pump Jack | 1 | SATISFACTORY | | | |
| Horizontal Heated Separator | 1 | SATISFACTORY | | | |
| Prime Mover | 1 | ACTION REQUIRED | Gas pumpjack motor is leaking contaminants onto the ground/See attached photos on last page of document | Repair leaks on pumpjack motor | 10/17/2014 |

| Facilities: | | | | |
|-----------------------------------|--|----------------|-----------|-----------------------|
| <input type="checkbox"/> New Tank | | Tank ID: _____ | | |
| Contents | # | Capacity | Type | SE GPS |
| CRUDE OIL | 1 | OTHER | STEEL AST | 39.943683,-104.903324 |
| S/A/V: | Comment: Capacity unknown - no signage | | | |
| 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 | Base Sufficient | Adequate |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

| | | | | | |
|------------------------|------------------------------|---|---|-----------------------|-----------------------------|
| Facilities: | | <input type="checkbox"/> New Tank | | Tank ID: _____ | |
| Contents | # | Capacity | Type | SE GPS | |
| PRODUCED WATER | 1 | OTHER | Open Top | 39.943683,-104.903324 | |
| S/A/V: | ACTION REQUIRED | | Comment: Capacity unknown - no signage/Tank does not have the required proper bird/wildlife netting across the top/See attached photos on last page of document | | |
| Corrective Action: | | Provide the proper bird/wildlife netting across the top of the open-top produced water tank | | | Corrective Date: 10/17/2014 |
| Paint | | | | | |
| Condition | Adequate | | | | |
| Other (Content) _____ | | | | | |
| Other (Capacity) _____ | | | | | |
| Other (Type) _____ | | | | | |
| Berms | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| Earth | 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: 201225

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:****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: 201225 Type: WELL API Number: 001-06628 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Bradenhead is not plumbed to the surface.

CA: Bradenhead must be plumbed to the surface to accomodate monitoring and inspection.

CA Date: 10/31/2014

Environmental**Spills/Releases:**

Inspector Name: JOHNSON, RANDELL

| | | |
|-----------------------------|------------------------|-------------------------|
| 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): | N |
| Comment: | |
| Pilot: | Wildlife Protection Devices (fired vessels): |
| | YES |

Reclamation - Storm Water - Pit

| | |
|-----------------------------------|-------------------------------------|
| Interim Reclamation: | |
| Date Interim Reclamation Started: | Date Interim Reclamation Completed: |
| Land Use: | |
| 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? | 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? | In |
|--------|---|----|

| | | | |
|--|----|--------------------------------------|--|
| Production areas have been stabilized? | In | Segregated soils have been replaced? | |
|--|----|--------------------------------------|--|

RESTORATION AND REVEGETATION

Cropland

Inspector Name: JOHNSON, RANDELL

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 In Process

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|------------|
| Other | Pass | Other | Fail | | | Vegetation |
| Gravel | Pass | Gravel | Fail | | | |
| Compaction | Pass | Compaction | Fail | | | |

S/A/V: **ACTION REQUIRED** Corrective Date: **10/31/2014**

Comment: **Rutting and erosion along lease access road/See attached photos on last page of document**

CA: **Repair rutting and erosion along lease access road and implement stormwater best management practices to mitigate further erosion and damage.**

Pits: ☒ NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|--|---|
| 668302574 | Extraction - Aylor, Mabel 1 (00106628) (1) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437157 |
| 668302575 | Extraction - Aylor, Mabel 1 (00106628) (2) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437158 |

| | | |
|-----------|--|---|
| 668302576 | Extraction - Aylor, Mabel 1 (00106628) (3) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437159 |
| 668302577 | Extraction - Aylor, Mabel 1 (00106628) (4) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437160 |
| 668302578 | Extraction - Aylor, Mabel 1 (00106628) (5) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437161 |
| 668302579 | Extraction - Aylor, Mabel 1 (00106628) (6) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437162 |
| 668302580 | Extraction - Aylor, Mabel 1 (00106628) (7) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437163 |
| 668302581 | Extraction - Aylor, Mabel 1 (00106628) (8) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437164 |
| 668302582 | Extraction - Aylor, Mabel 1 (00106628) (9) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437165 |
| 668302583 | Extraction - Aylor, Mabel 1 (00106628) (10) | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3437166 |

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.)