

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



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Inspection Date:
08/27/2014

Document Number:
668800288

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	334433	334433	GOODWIN, AMANDA	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10433</u>
Name of Operator:	<u>PICEANCE ENERGY LLC</u>
Address:	<u>1512 LARIMER STREET #1000</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>

- 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
Goodwin, Amanda		amanda.goodwin@state.co.us	All Inspections
Bankert, Wayne	(970) 683-5419	wbankert@laramie-energy.com	Senior Regulatory & Environmental Coordinator

Compliance Summary:

QtrQtr: NESE Sec: 21 Twp: 9S Range: 93W

Inspector Comment:

Inspection focus is reclamation.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
297214	WELL	PR	03/10/2011	OW	077-09685	NVEGA 22-121	PR	<input type="checkbox"/>
297608	WELL	PR	04/12/2011	GW	077-09695	NVEGA 22-124	PR	<input type="checkbox"/>
297609	WELL	PR	09/16/2008	GW	077-09696	NVEGA 21-331	PR	<input type="checkbox"/>
297610	WELL	XX	01/08/2013	LO	077-09697	NVega 22-134	XX	<input checked="" type="checkbox"/>
297611	WELL	PR	02/27/2014	GW	077-09698	NVEGA 22-131	PR	<input type="checkbox"/>
297612	WELL	XX	12/06/2012	LO	077-09699	NVega 21-434	XX	<input checked="" type="checkbox"/>
297613	WELL	AL	02/05/2009	LO	077-09700	NVEGA 21-334	AL	<input type="checkbox"/>
297614	WELL	PR	07/17/2014	GW	077-09701	NVega 21-431	PR	<input type="checkbox"/>
297615	WELL	XX	12/06/2012	LO	077-09702	NVega 22-144	XX	<input checked="" type="checkbox"/>
297616	WELL	XX	12/06/2012	LO	077-09703	NVega 22-141	XX	<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

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
STORAGE OF SUPL	ACTION REQUIRED	Swivel trailer.	Remove unused equipment from location.	11/14/2014
UNUSED EQUIPMENT	ACTION REQUIRED	3 pieces of unused equipment, (see photos)	Remove unused equipment from location.	11/14/2014

Spills:

Type	Area	Volume	Corrective action	CA Date
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Multiple Spills and Releases?

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 334433

Site Preparation:

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

S/AV: _____

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

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **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: 297610 Type: WELL API Number: 077-09697 Status: XX Insp. Status: XX

Facility ID: 297612 Type: WELL API Number: 077-09699 Status: XX Insp. Status: XX

Facility ID: 297615 Type: WELL API Number: 077-09702 Status: XX Insp. Status: XX

Facility ID: 297616 Type: WELL API Number: 077-09703 Status: XX Insp. Status: XX

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

Reclamation - Storm Water - Pit

Interim Reclamation:

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

Land Use: _____

Comment: Location disturbance at approximately 9.5 ac. Pad area at approx. 2 ac., 1 ac. of which is unused. Conductors are present the but the wells have not been drilled. Last well drilled 10/27/2014. Operator must submit a form 4 for a variance to extend interim deadline.

- 1003a. Debris removed? Pass CM _____
 CA _____ CA Date _____
- Waste Material Onsite? Pass 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? Pass CM _____
 CA _____ CA Date _____
- Guy line anchors marked? _____ CM _____
 CA _____ CA Date _____

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

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? Fail

Production areas have been stabilized? Fail Segregated soils have been replaced? Fail

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation In

1003 f. Weeds Noxious weeds? F

Comment: Noxious weed Musk Thistle found. Corrective Action: Remove noxious weeds from location.

Overall Interim Reclamation Fail

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
Slope Roughening	Fail					
Ditches	Fail					

S/A/V: ACTION REQUIRED Corrective Date: 11/14/2014

Comment: 1.) Rilling on fill below access sign, uphill from access road on South side. 2.) Ditches around pad perimeter conveying sediment off-site. 4.) Southeast corner cut sloughing. 4.) East perimeter rilling and sediment gathering at interior berm, (see attached photos).

CA: Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Per the 1000 series Reclamation rules, stabilize location and maintain stormwater BMPs.

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>Site does not meet the 1000 series Reclamation rules.</p> <p>Submit a form 42 when the corrective actions are complete. The form 42 may be submitted before the corrective action date on the inspection if the work has been completed. However, please note the form 42 must be submitted no later than the corrective action date on the inspection.</p> <p>Failure to complete the corrective actions as indicated in a prompt manner may result in enforcement actions.</p>	GoodwinA	08/28/2014

Attached Documents

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

Document Num	Description	URL
668800290	334433_Transect_20140827	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3457371
668800383	334433_INSP_Photos_20140827	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3457372

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.)