

**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:  
08/27/2014Document 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: 10433Name of Operator: PICEANCE ENERGY LLCAddress: 1512 LARIMER STREET #1000City: 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
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 Motors: _____	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/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: 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:**

Inspector Name: GOODWIN, AMANDA

Type of Spill: _____	Description: _____	Estimated Spill Volume: _____
Comment: _____		
Corrective Action: _____		Date: _____
Reportable: _____	GPS: Lat _____	Long _____
Proximity to Surface Water: _____	Depth to Ground Water: _____	

<b>Water Well:</b>		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**

<b>Interim Reclamation:</b>	
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? <u>Pass</u> CM _____
	CA _____ CA Date _____
	Waste Material Onsite? <u>Pass</u> 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? <u>Pass</u> CM _____
	CA _____ CA Date _____
	Guy line anchors marked? _____ CM _____
	CA _____ CA Date _____
1003b.	Area no longer in use? <u>Fail</u> Production areas stabilized ? <u>Fail</u>
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? <u>Fail</u>
	Production areas have been stabilized? <u>Fail</u> Segregated soils have been replaced? <u>Fail</u>
RESTORATION AND REVEGETATION	

Cropland

Top soil replaced \_\_\_\_\_

Recontoured \_\_\_\_\_

Perennial forage re-established \_\_\_\_\_

Non-CroplandTop soil replaced FailRecontoured Fail80% Revegetation In1003 f. Weeds Noxious weeds? FComment: 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: 11/14/2014Comment: 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	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3457371">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3457371</a>
668800383	334433_INSP_Photos_20140827	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3457372">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3457372</a>

## **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.)