

**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:

10/22/2014

Document Number:

675200672

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	334465	334465	CONKLIN, CURTIS	<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
Ellsworth, Stuart		stuart.ellsworth@state.co.us	
Bankert, Wayne	(970) 683-5419	wbankert@laramie-energy.com	Senior Regulatory & Environmental Coordinator
Kellerby, Shaun		shuan.kellerby@state.co.us	NW Supervisor

Compliance Summary:QtrQtr: NESW Sec: 22 Twp: 9S Range: 93W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
297911	WELL	PR	06/09/2008	GW	077-09710	NVEGA 22-344	PR	X
297912	WELL	PR	03/22/2013	GW	077-09711	NVEGA 22-334	PR	X
297913	WELL	PR	08/22/2008	GW	077-09712	NVEGA 22-341	PR	X
297914	WELL	PR	08/22/2008	GW	077-09713	NVEGA 22-221	PR	X
297915	WELL	PR	08/22/2008	GW	077-09714	NVEGA 22-321	PR	X
297916	WELL	PR	04/15/2013	GW	077-09715	NVEGA 22-324	PR	X
297917	WELL	PR	08/22/2008	GW	077-09716	NVEGA 22-224	PR	X
297918	WELL	SI	10/19/2009	GW	077-09717	NVega 22-234	SI	X
297919	WELL	PR	08/22/2008	GW	077-09718	NVEGA 22-241	PR	X
297920	WELL	PR	05/27/2009	GW	077-09719	NVEGA 22-231	PR	X
297921	WELL	PR	08/22/2008	GW	077-09720	NVEGA 22-244	PR	X
297922	WELL	PR	03/19/2013	GW	077-09721	NVEGA 22-331	PR	X
300706	WELL	PR	09/28/2012	GW	077-09912	NVEGA 2B-22-233D	PR	X
300707	WELL	XX	07/24/2013	LO	077-09913	NVega 22-242	XX	X
300708	WELL	XX	07/24/2013	LO	077-09914	NVega 22-132	XX	X
300709	WELL	XX	07/24/2013	LO	077-09915	NVega 22-142	XX	X
300710	WELL	XX	04/16/2012	LO	077-09916	NVega 2B 22-232	XX	X

Inspector Name: CONKLIN, CURTIS

300711	WELL	XX	07/24/2013	LO	077-09917	NVega 22-133	XX	<input checked="" type="checkbox"/>
300712	WELL	XX	07/24/2013	LO	077-09918	NVega 22-123	XX	<input checked="" type="checkbox"/>
300713	WELL	XX	07/24/2013	LO	077-09919	NVega 22-222	XX	<input checked="" type="checkbox"/>
300714	WELL	XX	07/24/2013	LO	077-09920	NVega 22-223	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**Signs/Marker:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	SATISFACTORY			
WELLHEAD	SATISFACTORY			

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?**Fencing/:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	Panels		

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Bird Protectors	7	SATISFACTORY			
Horizontal Heated Separator	12	SATISFACTORY			
Plunger Lift	12	SATISFACTORY			
Deadman # & Marked	2	SATISFACTORY			
Gas Meter Run	1	SATISFACTORY			
Emission Control Device	1	SATISFACTORY			

Facilities:☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
METHANOL	1	<50 BBLS	STEEL AST	,

Inspector Name: CONKLIN, CURTIS

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	
CONDENSATE	3	400 BBLS	HEATED STEEL AST	,	
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	Same				
Facilities: <input type="checkbox"/> New Tank Tank ID: _____					
Contents	#	Capacity	Type	SE GPS	
CONDENSATE	3	400 BBLS	STEEL AST	,	
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				
<u>Venting:</u>				
Yes/No	Comment			
NO				
<u>Flaring:</u>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 334465

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkd	Notify the COGCC 48 hours prior to start of pad reconstruction/regrading (if necessary) and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).	03/26/2014

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: 297911 Type: WELL API Number: 077-09710 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 297912 Type: WELL API Number: 077-09711 Status: PR Insp. Status: PR

Producing WellComment: **PR**

Facility ID: 297913 Type: WELL API Number: 077-09712 Status: PR Insp. Status: PR

Producing WellComment: **PR**

Facility ID: 297914 Type: WELL API Number: 077-09713 Status: PR Insp. Status: PR

Producing WellComment: **PR**

Facility ID: 297915 Type: WELL API Number: 077-09714 Status: PR Insp. Status: PR

Producing WellComment: **PR**

Facility ID: 297916 Type: WELL API Number: 077-09715 Status: PR Insp. Status: PR

Producing WellComment: **PR**

Facility ID: 297917 Type: WELL API Number: 077-09716 Status: PR Insp. Status: PR

Producing WellComment: **PR**

Facility ID: 297918 Type: WELL API Number: 077-09717 Status: SI Insp. Status: SI

Idle WellPurpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____S/A/V: **ALLEGED**CA Date: **10/22/2014**

CA: Well must be either:

1) Per COGCC Rule 326.b.(1) a successful mechanical integrity test shall be performed on each shut-in well within two (2) years of the initial shut-in date or

2) Be properly plugged and abandoned . Shut-in and temporarily abandoned wells must be properly reported on COGCC Form 7, Operator's Monthly Production Report.

Comment: Last production record for well was June 2011.
Sundry DOC#400431026 Filed for injection well in 2013.

Facility ID: 297919 Type: WELL API Number: 077-09718 Status: PR Insp. Status: PR

Producing WellComment: **PR**

Facility ID: 297920 Type: WELL API Number: 077-09719 Status: PR Insp. Status: PR

Producing WellComment: **PR**

Facility ID: 297921 Type: WELL API Number: 077-09720 Status: PR Insp. Status: PR

Producing WellComment: **PR**

Facility ID: 297922	Type: WELL	API Number: 077-09721	Status: PR	Insp. Status: PR
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Producing Well

Comment: PR

Facility ID: 300706	Type: WELL	API Number: 077-09912	Status: PR	Insp. Status: PR
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Producing Well

Comment: PR

Facility ID: 300707	Type: WELL	API Number: 077-09913	Status: XX	Insp. Status: XX
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Facility ID: 300708	Type: WELL	API Number: 077-09914	Status: XX	Insp. Status: XX
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Facility ID: 300709	Type: WELL	API Number: 077-09915	Status: XX	Insp. Status: XX
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Facility ID: 300710	Type: WELL	API Number: 077-09916	Status: XX	Insp. Status: XX
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Facility ID: 300711	Type: WELL	API Number: 077-09917	Status: XX	Insp. Status: XX
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Facility ID: 300712	Type: WELL	API Number: 077-09918	Status: XX	Insp. Status: XX
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Facility ID: 300713	Type: WELL	API Number: 077-09919	Status: XX	Insp. Status: XX
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Facility ID: 300714	Type: WELL	API Number: 077-09920	Status: XX	Insp. Status: XX
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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: _____

Emission Control Burner (ECB): _____

Comment: _____

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

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

Inspector Name: CONKLIN, CURTIS

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

Land Use: _____

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 REVEGETATION

Cropland

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: _____

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: CONKLIN, CURTIS

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
Berms	Pass	Check Dams	Pass	MHSP	Pass	
Ditches	Pass	Compaction	Pass			
Gradient Terraces	Pass					
Gravel	Pass	Gravel	Pass			

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

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
API 077-09717 (NVega 22-234) Does not comply with COGCC Rule 326	conklinc	10/22/2014
XX well permits expire 8-14-2015		

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.)