

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:
09/25/2014

Document Number:
673900538

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|--------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>432699</u> | <u>432178</u> | <u>Rains, Bill</u> | <input type="checkbox"/> | |

Operator Information:

| | |
|-----------------------|--|
| OGCC Operator Number: | <u>10439</u> |
| Name of Operator: | <u>CARRIZO NIOBRARA LLC</u> |
| Address: | <u>500 DALLAS STREET #2300</u> |
| City: | <u>HOUSTON TX</u> State: <u>TX</u> Zip: <u>77002</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 |
|-----------------|--------------|-------------------------|---------|
| Lowery, Sheldon | 713-358-6492 | Sheldon.Lowery@crzo.net | |

Compliance Summary:

QtrQtr: NWNW Sec: 14 Twp: 8N Range: 60W

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|---------------------|-------------|-------------------------------------|
| 432179 | WELL | PR | 11/13/2013 | | 123-36995 | Schneider 1-14-8-60 | PR | <input checked="" type="checkbox"/> |
| 432699 | WELL | PR | 11/13/2013 | | 123-37240 | Schneider 2-14-8-60 | PR | <input checked="" type="checkbox"/> |

Equipment:

Location Inventory

| | | | |
|--------------------------------|-------------------------|----------------------|----------------------------|
| Special Purpose Pits: _____ | Drilling Pits: <u>1</u> | Wells: <u>4</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: <u>4</u> | Separators: <u>2</u> | Electric Motors: _____ |
| Gas or Diesel Motors: <u>5</u> | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: <u>4</u> |
| Electric Generators: _____ | Gas Pipeline: <u>1</u> | Oil Pipeline: _____ | Water Pipeline: _____ |
| Gas Compressors: _____ | VOC Combustor: <u>2</u> | Oil Tanks: <u>12</u> | Dehydrator Units: <u>2</u> |
| Multi-Well Pits: _____ | Pigging Station: _____ | Flare: <u>1</u> | Fuel Tanks: _____ |

Location

| Signs/Marker: | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|----------------------|------------------------------|---|--|-------------------|
| BATTERY | SATISFACTORY | | | |
| WELLHEAD | ACTION REQUIRED | NO WELLHEAD SIGN FOR API# 05-123-37240 | Install sign to comply with rule 210. | 11/24/2014 |
| TANK LABELS/PLACARDS | ACTION REQUIRED | NO CAPACITY SIGNS ON TANKS | Install sign to comply with rule 210. | 11/24/2014 |

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 EQUIPMENT ON LOCATION | REMOVE UNUSED EQUIPMENT | 11/24/2014 |
| TRASH | ACTION REQUIRED | DRITY RAGS AND TRASH INSIDE BERM | REMOVE TRASH | 11/24/2014 |

| Spills: | | | | |
|----------------|---------------|-----------|--------------------------|------------|
| Type | Area | Volume | Corrective action | CA Date |
| Crude Oil | Truck Loadout | <= 5 bbls | STAINED SOIL INSIDE BERM | 11/24/2014 |

Multiple Spills and Releases?

| Fencing/: | | | | |
|------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| LOCATION | SATISFACTORY | WIRE | | |

| Equipment: | | | | | |
|-------------------------|---|------------------------------|--------------|-------------------|---------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Pump Jack | 2 | SATISFACTORY | | | |
| Gas Meter Run | 3 | SATISFACTORY | | | |
| Veritcal Heater Treater | 2 | SATISFACTORY | | | |
| Vertical Separator | 2 | SATISFACTORY | | | |
| Bird Protectors | 3 | SATISFACTORY | | | |
| Emission Control Device | 1 | SATISFACTORY | | | |
| Prime Mover | 2 | SATISFACTORY | GAS ENG | | |
| Ancillary equipment | 1 | SATISFACTORY | PROPAIN TANK | | |

Facilities: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------------|---|----------|----------------|--------|
| PRODUCED WATER | 2 | 400 BBLS | FIBERGLASS AST | , |

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 |
|------|----------|---------------------|---------------------|-------------|
| | | | | |

| | | | | | | |
|---|--------------|---------------------|---------------------|-----------------------|------------------|--|
| Corrective Action | | | | | Corrective Date | |
| Comment | | | | | | |
| Facilities: <input type="checkbox"/> New Tank Tank ID: _____ | | | | | | |
| Contents | # | Capacity | Type | SE GPS | | |
| CRUDE OIL | 6 | 400 BBLS | STEEL AST | 40.668560,-104.062800 | | |
| S/AV: | 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 |
| YES | TANKS VENTING OUT OF ANORDO VALVE AND FIELD FLARE |

| | | | | |
|-----------------|------------------------------|------------------------------------|-------------------|------------|
| Flaring: | | | | |
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Field Flare | ACTION REQUIRED | FLAREING FROM OVER PRESSURED TANKS | FIX VENTING ISSUE | 11/24/2014 |

| | |
|--------------------------|---|
| Predrill | |
| Location ID: | 432699 |
| 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: | |
| BMP Type | Comment |
| Pre-Construction | The COGCC to be notified 48 hours prior to construction of the Fresh Water Storage Pit. |

| | |
|--|--|
| Site Specific | Fresh water for the Fresh Water Storage Pit comes from water provider; water sources permitted for consumable industrial use. Fresh Water Storage Pit shall contain fresh water only and signage prohibiting the use of the pit for any fluid that does not come from municipal, irrigation or surface water source. Operator will participate in the Colorado Oil & Gas Association Voluntary Baseline Groundwater Quality Sampling Program. Operator will implement interim reclamation measures immediately after construction of the location to stabilize cut and fill slopes, stabilize the topsoil and spoil stockpiles, establish desirable vegetation and control weeds on the location. |
| Material Handling and Spill Prevention | Operator will ensure 110 percent secondary containment for any volume of fluids contained at the well site during drilling and completion. Operator will implement best management practices to contain any unintentional release of fluids. Operator shall not allow any fluids to flow back to the Fresh Water Storage Pit/Pond |
| Construction | The location will be fenced and the fenced area will include the Fresh Water Storage Pit. |
| Storm Water/Erosion Control | Operator has designed the well pad with insloping and a storm water control ditch to prevent storm water run-on/runoff and the release of fluids from the location. See attached Construction Layout Drawing. |
| Planning | A Form 15 Pit Report will be submitted within 30 days of construction of the fresh water storage pit. |

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: 432179 Type: WELL API Number: 123-36995 Status: PR Insp. Status: PR

Producing Well

Comment: **PR**

Facility ID: 432699 Type: WELL API Number: 123-37240 Status: PR Insp. Status: PR

Producing Well

Comment: 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:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Emission Control Burner (ECB): Y _____

Comment: _____
Pilot: OFF Wildlife Protection Devices (fired vessels): YES

Reclamation - Storm Water - Pit

Interim Reclamation:

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

Land Use: RANGELAND

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? Pass Production areas stabilized? Pass

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Inspector Name: Rains, Bill

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? Pass Segregated soils have been replaced? Pass

RESTORATION AND REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced In Recontoured In 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: RANGELAND

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 | Gravel | Pass | | | |
| Berms | Pass | Berms | Pass | | | |
| Ditches | Pass | Ditches | Pass | MHSP | Pass | |

S/A/V: **ACTION REQUIRED** Corrective Date: **11/24/2014**

Comment: **STAINED SOIL SOUTH SIDE OF PUMP JACKS**

CA: **CLEAN UP STAINED SOIL**

Pits: NO SURFACE INDICATION OF PIT

Inspector Name: Rains, Bill

Pit Type: Water Fresh Lined: YES Pit ID: _____ Lat: 40.668640 Long: -104.061000

Lining:

Liner Type: PVC Liner Condition: Adequate

Comment: _____

Fencing:

Fencing Type: _____ Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: NO 2+ feet Freeboard: _____

Pit (S/AV): SATISFACTOR Comment: _____

Corrective Action: _____ Date: _____

Attached Documents

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

| Document Num | Description | URL |
|--------------|------------------------|---|
| 673900539 | STAINED SOIL AND TRASH | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3466940 |
| 673900540 | STAINED SOIL AND TRASH | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3466941 |
| 673900541 | STAINED SOIL | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3466942 |

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.)