

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:
10/28/2014

Document Number:
668800429

Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>438312</u>	<u>438312</u>	<u>GOODWIN, AMANDA</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10447</u>
Name of Operator:	<u>URSA OPERATING COMPANY LLC</u>
Address:	<u>602 SAWYER STREET #710</u>
City:	<u>HOUSTON TX</u> State: <u>TX</u> Zip: <u>77007</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
Arthur, Denise	(303) 894-2100, x5195	denise.arthur@state.co.us	All Inspections
Goodwin, Amanda		amanda.goodwin@state.co.us	All Inspections
Bleil, Rob	(970) 329-4373	rbleil@ursaresources.com	Regulatory & Environmental

Compliance Summary:

QtrQtr: SESE Sec: 5 Twp: 7S Range: 95W

Inspector Comment:

This is a construction inspection and is focused on installation of stormwater management/controls. Additional issues will/ may be noted.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
438299	WELL	XX	07/29/2014		045-22471	TOMPKINS 31A-08-07-95	ND	<input checked="" type="checkbox"/>
438300	WELL	XX	07/29/2014		045-22472	TOMPKINS 32C-08-07-95	XX	<input type="checkbox"/>
438301	WELL	XX	07/29/2014		045-22473	TOMPKINS 42B-08-07-95	XX	<input type="checkbox"/>
438302	WELL	XX	07/29/2014		045-22474	TOMPKINS 42C-08-07-95	XX	<input type="checkbox"/>
438303	WELL	XX	07/29/2014		045-22475	TOMPKINS 32B-08-07-95	XX	<input type="checkbox"/>
438304	WELL	XX	07/29/2014		045-22476	TOMPKINS 41D-08-07-95	XX	<input type="checkbox"/>
438305	WELL	XX	07/29/2014		045-22477	TOMPKINS 32A-08-07-95	XX	<input type="checkbox"/>
438306	WELL	XX	07/29/2014		045-22478	TOMPKINS 42A-08-07-95	XX	<input type="checkbox"/>
438307	WELL	XX	07/29/2014		045-22479	TOMPKINS 31C-08-07-95	XX	<input type="checkbox"/>
438308	WELL	XX	07/29/2014		045-22480	TOMPKINS 41A-08-07-95	XX	<input type="checkbox"/>

438309	WELL	XX	07/29/2014		045-22481	TOMPKINS 41C-08-07-95	XX	<input type="checkbox"/>
438310	WELL	XX	07/29/2014		045-22482	TOMPKINS 41B-08-07-95	XX	<input type="checkbox"/>
438311	WELL	XX	07/29/2014		045-22483	TOMPKINS 31D-08-07-95	XX	<input type="checkbox"/>
438313	WELL	XX	07/29/2014		045-22484	TOMPKINS 31B-08-07-95	XX	<input type="checkbox"/>

Equipment: Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>17</u>	Production Pits: _____
Condensate Tanks: <u>1</u>	Water Tanks: <u>9</u>	Separators: <u>16</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>1</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: <u>1</u>	Flare: _____	Fuel Tanks: _____

Location

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: _____
 Comment: _____
 Corrective Action: _____

Spills:				
Type	Area	Volume	Corrective action	CA Date

Multiple Spills and Releases?

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 438312
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	<p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner) to contain any spilled or released material around permanent crude oil, condensate, and produced water storage tanks.</p> <p>Since this location is within five hundred (500) feet and upgradient of a surface water body, tertiary containment, such as an earthen berm, is required around Production Facilities.</p>	06/30/2014
OGLA	kubeczkd	Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network.	06/30/2014
OGLA	kubeczkd	<p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, start of hydraulic stimulation operations, and start of flowback operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p> <p>As required for Groundwater Baseline Sampling; Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING. Because of proximity of this location to existing water wells, operator shall sample a minimum of two water wells (one upgradient and one downgradient).</p>	06/30/2014
OGLA	kubeczkd	<p>The moisture content of any cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1. If cuttings are to be taken offsite to an OCGG permitted cuttings trench, a Form 4 Sundry must be submitted and approved prior to offsite transport. If the cuttings are to be used offsite for beneficial reuse, a Beneficial Reuse Plan needs to be submitted via a Form 4 Sundry Notice and approved prior to offsite transport.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or storage vessel located on the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area constructed to be sufficiently impervious to contain any spilled or released material.</p>	06/30/2014

S/A/V: _____ **Comment:**

CA: **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Drilling/Completion Operations	<p>COMPLETIONS</p> <ul style="list-style-type: none"> • The BMPs below entitled “Environmental Stewardship and Compliance” provide additional information that is applicable to one or more phases of operations. • AIR & ODORS - Well completions will utilize flowback completion technologies and/or flares to reduce odors from plug drillout, and venting of salable and non-salable gas • CHEMICAL USE – All chemicals used will be tracked and reported in accordance with COGCC rules and submitted through FracFocus within 120 days of initiating well stimulation. • WASTE MANAGEMENT OF WATER – Flowback water used for well completions will be recycled and treated to the maximum extent practical at the location. Water that can't be recycled will be injected through the use of wells approved by COGCC and Garfield County, or transported via truck or pipeline to the COGCC and Garfield County approved Wasatch E&P Facility. • WASTE - No stimulation or flowback pits will be constructed.
Planning	<p>GENERAL – PLANNING</p> <ul style="list-style-type: none"> • This is a new oil and gas location and will include construction and proposed wells. • This is a new oil and gas location and will also include a proposed Salt Water Disposal (SWD well) • Prior to initiation of the COGCC Form 2A permitting process, Ursa held internal meetings and onsite to determine the feasibility of the location, and identified all compliance requirements, guidance and policies needed to permit the location and proposed oil and gas operations. All COGCC permitting requirements under the 200 through 1200 series rules were incorporated, as appropriate into this Form 2A and related attachments. • The best management practices (BMPs) incorporated herein also considered other Federal, state and county agency requirements and guidance, including those under the jurisdiction of the Environmental Protection Agency (EPA), U.S. Fish and Wildlife Service (USFWS), U.S. Army Corps of Engineers (ACOE), Federal Emergency Management Agency (FEMA), Colorado Department of Public Health and Environmental (CDPHE), Colorado Parks and Wildlife (CPW), and Garfield County (GARCO), among others. • Planning and permitting information relevant to the location based on Federal, state and county regulations, guidance and policies is documented as appropriate in Ursa’s “Site Assessment Checklist/Map”. A copy of this internal BMP (while not required) was provided to the COGCC at the Setback Training on August 30, 2013 held in Grand Junction. • Upon approval of the Form 2A, Ursa holds Pre-Construction, Pre-Spud, Pre-Completions and Pre-Production meetings with contractors performing work at the location, as applicable to the proposed activity. As a BMP, Ursa has developed checklists for these meetings to review regulations, COAs, NTOs and related requirements. • Traffic and Public Safety – Ursa developed a site-specific Emergency Response Plan (SSERP) and Haul Route Map which are communicated to local emergency response agencies and stakeholders, as well as contractors performing work at the location.
Drilling/Completion Operations	<p>DRILLING</p> <ul style="list-style-type: none"> • Drilling multiple wells from this location using directional / horizontal drilling will be implemented to avoid the need for additional well pads; reducing potential environmental impacts to include habitat loss and fragmentation, noise, traffic concerns, and related impacts to air, land and water. • PUBLIC WATER SUPPLY SAMPLING (COGCC Rule 317B) – Pre-drilling and post drilling sampling and reporting of information to the landowner and COGCC will be conducted prior to and following drilling. • MIRU – Unless waived, Notice to all Building Unit owners will be sent at least 30 days, but no more than 90 days within the Buffer Zone prior to the Move-In, Rig-Up of the drilling rig when more than 1 year has elapsed since previous notice or since drilling activity last occurred, or if no notice had previously been required in accordance with the four examples provided in the COGCC MIRU policy. • No cuttings pits are proposed.

<p>Drilling/Completion Operations</p>	<p>PRODUCTION</p> <ul style="list-style-type: none"> • All production equipment to include separators, produced water and condensate tanks, pipelines and flowlines will be constructed and managed in accordance with COGCC 605 and 1100 Series Rules. • The BMPs below entitled “Environmental Stewardship and Compliance” provided more detailed information regarding environmental protection applicable general operations. • AIR & ODORS - Combustor controls will be used to mitigate odors from production tanks. Ursa will perform inspections on at least a monthly basis to ensure potential emissions sources are properly managed. In addition, Ursa’s pumper crew inspects each location on a daily basis. • REMOTE MONITORING - Remote monitoring will be used to reduce truck traffic, fugitive dust to the extent practical. • VISUAL IMPACTS - Above-ground facilities (e.g. production tanks) will be managed to minimize visual effects (e.g. painted to blend with environment) • WILDLIFE – All separators/dehydrators and heater –treater equipment are outfitted with bird cones. • WATER RECYCLING – Produced water used for well completions will be recycled and treated to the maximum extent practical. Water that can’t be recycled will be injected through the use of wells approved by COGCC and Garfield County, or transported via truck or pipeline to the COGCC and Garfield County approved Wasatch E&P Facility. • The Salt Water Disposal (SWD) well will be permitted, operated and tested in accordance with COGCC Rule 325 and 326.
<p>Community Outreach and Notification</p>	<p>COMMUNITY / STAKEHOLDER OUTREACH AND NOTIFICATIONS</p> <ul style="list-style-type: none"> • An SUA has been signed with the landowner allowing this location to be constructed, drilled and operated in accordance with the Form 2A submitted. • The landowners have waived all COGCC notifications to include Pre-application notifications, statutory notifications, drilling and completions notifications related to Federal surface, as they are intimately involved with all phases of permitting the location and associated wells. • Ursa routinely communicates proposed plans and operations schedules to stakeholders through Community Counts, the GARCO Energy Advisory Board, Battlement Mesa Concerned Citizens and others. In addition, periodic stakeholder meetings are held with landowners and affected parties. • Communication with Kirby Wynn and municipal LGDs are also held routinely in addition to communication required by COGCC regulations, as appropriate.

General Housekeeping

ENVIRONMENTAL STEWARDSHIP AND COMPLIANCE / HOUSEKEEPING

- AGENCY INSPECTIONS AND CORRECTIVE ACTIONS – Ursa will implement corrective actions necessary in response to all Federal and state agency inspections in a timely manner. Inspections resulting in the potential for immediate or significant environmental impacts will be addressed immediately, subject to safety and weather considerations.
- URSA VOLUNTARY INSPECTIONS – Ursa conducts voluntary inspections and corrective actions of all locations at least monthly using a self-implemented checklist of key actions (including environmental) that require compliance with COGCC, Federal, and other state and county requirements.
- AESTHETICS AND NOISE – Lighting, noise, odors, dust and related nuisances are managed in accordance with COGCC 600 and 802, 803, 804 and 805 Series Rules, and in accordance with Ursa policies, procedures and checklists.
- AIR PERMITTING AND COMPLIANCE – Ursa will comply with CDPHE regulations regarding air permitting, compliance monitoring, inspections and reporting. All air sources will be assigned AIRS ID numbers and tracked for compliance and reporting purposes. In addition, Ursa is required to track, monitor and report Greenhouse Gas (GHG) emissions to EPA annually.
- CHEMICAL & MATERIAL HANDLING – All materials and chemicals will be managed to minimize environmental contamination in accordance with MSDS sheets and EPA, COGCC and CDPHE regulations. Materials and chemicals that are not a waste may be reused or recycled.
- MITIGATION REQUIREMENTS – Ursa has incorporated the mitigation requirements identified in COGCC Rule 604, as applicable on a site-specific basis into its Operations Checklists, Voluntary and Mandatory Site Inspections, and Environmental Programs plans, status monitoring, and policies and procedures.
- NOXIOUS WEEDS – Weeds will be managed in accordance COGCC Rule 1003.f. and 1004.e. as incorporated into Ursa’s Noxious Weed plan; to include up to three treatments per year depending upon the species being managed and mapping as needed, throughout the life cycle of the location (construction – final reclamation).
- SAFETY – Safety requirements and buffers as required by the COGCC 602, 603, and 606A and 606B Series Rules, among others, and the Office of Safety and Health Administration (OSHA) will be observed at all time. Daily safety briefings and Job Safety Assessments (JSA’s) are routinely conducted in all phases of operations. In addition, Ursa employees a full-time safety manager to oversee all field contractors.
- SPILLS / INCIDENTS – Spill prevention and response are addressed in Ursa’s Spill Prevention and Management Plan. This includes training of employees and contractors personnel on at least an annual basis. Spill response includes notifications, reporting, response actions, remediation and corrective actions. The spill criteria in Ursa’s plan requires that waste be properly classified as E&P or non-E&P wastes. For E&P waste, all spills greater than 1 barrel the COGCC will be reported to the COGCC using a Form 19. Should remediation be required, a Form 27 will be submitted as well. Spills related to non-E&P waste will be managed in accordance with CDPHE and EPA regulations depending on the volume spilled. As a BMP, Ursa tracks and cleans up all spills, including those that are not reportable.
- SPCC / CONTAINMENT – All production tanks and tanks used for completions activities will be installed, labeled, contained, operated, and decommissioned in accordance with Ursa’s SPCC/Containment Plan, which is required by EPA regulations (40 CFR 112). The plan, in combination with Ursa’s Spill Prevention and Management plan, addresses COGCC 600 and 900 Series Rules, among others, regarding the management of tanks.
- WASTE - The location will be managed in accordance with COGCC 907 and 907A Rules, which are incorporated into Ursa’s Waste Management Plan, and addresses both E&P and non-E&P waste, including those under the jurisdiction of the CDPHE and EPA. The plan, in combination with Ursa’s Spill Prevention and Management Plan, minimizes the potential for any exploration and production wastes, chemicals, fluids, etc. from leaving the location, using BMPs including berms, barriers, and use of spill control materials.
- WILDLIFE - A Wildlife Mitigation Plan (March 24, 2010) is in place that was agreed to by Ursa (previously Antero). The plan allows for 90+ well pads. Currently, Ursa has 62 well pads. Ursa is current on all obligations under the plan.

S/AV: _____ Comment: _____

CA: _____ Date: _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
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BERMS	Yes		
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S/A/V: SATISFACTORY

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: Straw bales installed around North and East perimeter and in natural drainages. Berms being tracked-in/ stabilized when inspector was on site (in-process). Diversion on South perimeter was stable. Western perimeter diversion in-process. Northern retention basin on center, interior of perimeter in process.

Other BMPs: Gravel (60' x 40') was installed at the entrance and no tracking was observed.

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:	438299	Type:	WELL	API Number:	045-22471
Status:	XX	Insp. Status:	ND		

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:

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

Land Use: RANGELAND

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: RANGELAND

Reminder: _____

Comment: _____

Inspector Name: GOODWIN, AMANDA

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

S/A/V: _____ Corrective Date: _____
 Comment: _____
 CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments		
Comment	User	Date
Construction started week of 10/20. A follow up inspection will be conducted to verify the completion of locations stormwater BMP installations.	GoodwinA	10/27/2014

Attached Documents

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

Document Num	Description	URL
668800463	438312_INSP_PHOTOS_20141023	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3474075