

Inspector Name: Waldron, Emily

**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:

11/12/2014

Document Number:

673401385

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	300271	333288	Waldron, Emily	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 10450

Name of Operator: EE3 LLC

Address: 4410 ARAPAHOE AVENUE #100

City: BOULDER State: CO Zip: 80303

- ☐ 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
McClure, Rich		rmcclure@ee3llc.com	
Kellerby, Shaun		shaun.kellerby@state.co.us	
Ashby, Andy		aashby@ee3llc.com	

Compliance Summary:

QtrQtr: SWSE Sec: 30 Twp: 7N Range: 80W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/29/2014	673401062	DG	DG	SATISFACTORY			No
11/18/2010	200290287	OI	ND	SATISFACTORY			No

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
295296	WELL	PR	01/05/2009	OW	057-06465	MUTUAL 2-30H	PR
295300	PIT	CL	04/01/2008		-	MUTUAL 2-30H	CL
298265	PIT	AC	09/10/2008		-	MUTUAL 4-30H	AC
300271	WELL	DG	08/21/2014	LO	057-06488	MUTUAL 4-30H	DG

Equipment:Location Inventory

Special Purpose Pits: _____	Drilling Pits: 1	Wells: 2	Production Pits: 2
Condensate Tanks: 16	Water Tanks: _____	Separators: 2	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: 2	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

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

Yes/No	Comment
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Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
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Predrill

Location ID: 300271

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	GROUNDWATER MONITORING COA: Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.	08/20/2013

OGLA	kubeczkd	<p>GENERAL SITE COAs:</p> <p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, 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).</p> <p>Reserve pit, or any other pit used to contain/hold fluids, if constructed, must be lined or a closed loop system must be implemented during drilling.</p> <p>The access road will be constructed to prevent sediment migration from the access road to nearby surface water or any drainages leading to other nearby surface waters.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.</p> <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>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.</p> <p>If the well is to be hydraulically stimulated, then flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) 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 with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p>	08/20/2013
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S/A/V: ACTION**Comment:**

Inspector received Form 42 notice of hydraulic fracturing (document number 400728262) on 11/10/2014 at 5:30PM for stimulation operations beginning on 11/11/2014 at 6:00PM. This is in violation of both the COGCC rule for 48 hour notice and permit specific COAs requiring the same thing.

CA: Comply with notice timing in COGCC rules and permit COAs.**Date:** 11/13/2014**Wildlife BMPs:**

BMP Type	Comment
Wildlife	<ol style="list-style-type: none"> 1. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads. 2. Where oil and gas activities must occur within 4 miles of greater sage-grouse leks or within other mapped greater sage-grouse breeding or summer habitat, conduct these activities outside the period between March 1 and June 30. 3. Restrict post development well site visitations to portions of the day between 9:00 a.m. and 4:00 p.m. during the lekking season (March 1 to May 15).

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

CA: _____	Date: _____
Stormwater: _____	
Comment: _____	
Staking: _____	
On Site Inspection (305):	
<u>Surface Owner Contact Information:</u>	
Name: _____	Address: _____
Phone Number: _____	Cell Phone: _____
<u>Operator Rep. Contact Information:</u>	
Landman Name: _____	Phone Number: _____
Date Onsite Request Received: _____	Date of Rule 306 Consultation: _____
Request LGD Attendance: _____	
<u>LGD Contact Information:</u>	
Name: _____	Phone Number: _____ Agreed to Attend: _____
<u>Summary of Landowner Issues:</u>	
<u>Summary of Operator Response to Landowner Issues:</u>	
<u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u>	

Facility

Facility ID: 300271	Type: WELL	API Number: 057-06488	Status: DG	Insp. Status: DG
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Well Stimulation

Stimulation Company: Halliburton		Stimulation Type: HYDRAULIC FRAC	
Observation:		Other: _____	
Maximum Casing Recorded: _____ PSI	Tubing: _____		
Surface: _____	Intermediate: _____		
Production: _____	Instantaneous Shut-In Pressure (ISIP) 4938		
Bradenhead Psi: 9	Frac Flow Back:	Fluid:	Gas:

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: _____

Inspector Name: Waldron, Emily

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: _____

Inspector Name: Waldron, Emily

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

S/A/V: _____

Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

Permit:	Facility ID	Permit Num	Expiration Date
	298265	1433924	
	295300	1433849	
	298265	1433924	

COGCC Comments

Comment	User	Date
Inspector on location to witness stage 6 of 24 stage frack. Inspector received Form 42 notice of hydraulic fracturing (document number 400728262) on 11/10/2014 at 5:30PM for stimulation operations beginning on 11/11/2014 at 6:00PM. This is in violation of both the COGCC rule for 48 hour notice and permit specific COAs requiring the same thing. Inspection is Action Required because of this short notice.	waldrone	11/13/2014

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.)