

**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:

11/19/2014

Document Number:

675100635

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	428754	428755	GRANAHAN, KYLE	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10402Name of Operator: MATRIX OIL CORPORATIONAddress: 104 W ANAPAMU STREET #CCity: SANTA BARBARA State: CA Zip: 93101

- ☒ 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
Kellerby, Shaun		shaun.kellerby@state.co.us	
Crossland, Joan	805-884-9000 ext4	jcrossland@matrixoil.com	all inspections

Compliance Summary:QtrQtr: TR47A Sec: 11 Twp: 1N Range: 94W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/21/2014	675100218	PR	PR	ACTION REQUIRED			No

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
428754	WELL	PR	09/27/2013	OW	103-11920	Sheridan 11-2	PR	<input checked="" type="checkbox"/>

Equipment:Location Inventory

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

Location

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

BATTERY	ACTION REQUIRED	Missing nearest public access road	Install sign to comply with rule 210.	12/19/2014
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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
LOCATION	SATISFACTORY			
PUMP JACK	SATISFACTORY			

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Pump Jack	1	SATISFACTORY			

Facilities:☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	1	400 BBLS	STEEL AST	,

S/A/V: SATISFACTORY

Comment:

Corrective Action:

Corrective Date:

Paint

Condition	Adequate
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Other (Content)

Other (Capacity)

Other (Type)

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate

Corrective Action

Corrective Date

Comment

Facilities:☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	STEEL AST	,

S/A/V: SATISFACTORY

Comment: Same berm as crude

Corrective Action:

Corrective Date:

Paint

Condition	Adequate
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Other (Content)

Other (Capacity)

Other (Type) _____				
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Corrective Action				Corrective Date
Comment				

Venting:	
Yes/No	Comment
NO	

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

Predrill

Location ID: 428754

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkod	<p>SITE SPECIFIC COAs:</p> <p>A closed loop system must be implemented during drilling (which operator has indicated on the Form 2A); or, if a drilling pit is constructed, it must be lined. All cuttings generated during drilling with oil based muds or high chloride/TDS mud must be kept in the lined drilling pit, or placed either in containers or on a lined/bermed portion of the well pad; prior to offsite disposal. The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts.</p> <p>Operator must ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) 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>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface or buried pipelines.</p> <p>Location is in a sensitive area due to very shallow groundwater; therefore, either a closed loop system must be used (which operator has indicated on the Form 2A), or the drilling pit must be lined and constructed above the top of groundwater.</p> <p>If the wells are to be hydraulically stimulated, 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 pit 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</p>	04/05/2012

will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

Operator will implement sufficient public notification of proposed oil and gas activities, including: (1) provide 7-day notice and community awareness to the neighborhood regarding schedule and activities, include local emergency response agencies (Fire/Police); (2) posting schedule changes at a location convenient to residents, as well as notifying local emergency response agencies (Fire/Police) of schedule changes; and (3) notify all homes within two (2) blocks on either side of the proposed access road through the Town of Meeker and local emergency responders (Fire/Police) 7 days prior to mobilization in, rig up (MIRU).

Operator will review local governmental requirements for access from public roads (which operator has already done). In addition, the following traffic requirements will apply: (1) a traffic control plan will be in place; (2) additional signage on major and/or local roads will be employed to warn the public of increased truck traffic; (3) all oil and gas related construction, drilling, and operational traffic shall access the location from a single point (as indicated on the revised Access Road Map); (4) designate haul routes to avoid school zones (as indicated on the revised Access Road Map); (5) schedule work to avoid peak traffic flow; (6) schedule heavy equipment movement and drilling/completion operations traffic to avoid local school and school bus operation hours (for example, high student traffic times are 7:00 am to 9:00 am and 2:00 pm to 6:00 pm); (7) when using residential/neighborhood roads, reduced speed limits should be established; and (8) Matrix Oil Corporation will contract with licensed personnel and give priority to contractors who employ safe driving training/practices.

Fugitive dust emissions from the graveled portion of the County maintained access road from the edge of paving to the well pad access entrance will be controlled during drilling and completion operations. Such practices shall include but are not limited to the use of speed restrictions and dust suppression using water or other materials.

Surface water samples from Sulphur Creek at two locations, one upstream and one downstream of the proposed well pad location, will be collected (if water is present) prior to pad construction and after the well has been completed, to evaluate potential impacts from drilling/completion operations. At a minimum, the surface water samples will be analyzed for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/DRO. The data will be sent electronically to the COGCC and Rio Blanco County.

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

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Wildlife	<p>1. Where oil and gas activities must occur in mule deer critical winter range, conduct these activities outside the time period from December 1 through April 15 if all possible.</p> <p>2. Muffle sound from compressors, pump jacks or other motors necessary to run operations at the site. (If mufflers are used, point upward to dissipate sound and vibration.)</p> <p>3. Construct a 4:1 escape ramp for the freshwater pit with an appropriate surface to give the ramp traction.</p>

Storm Water/Erosion
Control

Matrix Oil Corporation
Sheridan #11-2
Lot 26 Section 11-T1N-R94W
Rio Blanco Co., Colorado

Best Management Practices Summary

Stormwater Management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE). BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. The BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation.

Spill Prevention Control and Counter measures (SPCC) plans will be in place to address any possible spills associated with Oil & Gas operations throughout the state of Colorado in accordance with CFR12.

Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup will be required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.

The above BMP's will be provided to all Matrix Oil Corporation, contractors and will be posted in the company trailer located on location during drilling, completion and production operations.

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: 428754 Type: WELL API Number: 103-11920 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):

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? 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? CM

CA CA Date

Guy line anchors marked? CM

CA CA Date

Inspector Name: GRANAHAH, KYLE

- 1003b. Area no longer in use? _____ Production areas stabilized ? Pass
- 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? Pass 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: _____

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
Berms	Pass					

S/A/V: SATISFACTOR Corrective Date: _____

Y

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT