

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:
667100190

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|-----------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>214065</u> | <u>325123</u> | <u>ROY, CATHERINE</u> | <input type="checkbox"/> | |

Operator Information:

| | |
|-----------------------|---|
| OGCC Operator Number: | <u>26625</u> |
| Name of Operator: | <u>ELM RIDGE EXPLORATION COMPANY LLC</u> |
| Address: | <u>12225 GREENVILLE AVE STE 950</u> |
| City: | <u>DALLAS</u> State: <u>TX</u> Zip: <u>75243-</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 |
|-----------------|-------|-------------------------|--------------------|
| Lindeman, Terry | | tlindeman@elmridge.net | |
| Archuleta, Amy | | aarchuleta@elmridge.net | All SW Inspections |

Compliance Summary:

QtrQtr: SENW Sec: 19 Twp: 33N Range: 8W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 07/06/2012 | 661700441 | PR | PR | SATISFACTORY | I | | No |
| 09/18/2009 | 200218601 | PR | PR | SATISFACTORY | | | No |
| 08/07/2008 | 200193624 | PR | PR | SATISFACTORY | | | No |
| 03/07/2006 | 200087501 | PR | PR | SATISFACTORY | | Pass | No |
| 05/19/2000 | 200006958 | PR | PR | SATISFACTORY | | Pass | No |
| 05/19/1998 | 500146666 | BH | SI | | | Pass | No |
| 05/20/1997 | 500146665 | BH | PR | | | Pass | No |
| 06/27/1996 | 500146664 | PR | PR | | | | No |

Inspector Comment:

This is an interim reclamation inspection. Any corrective actions from previous inspections that have not been addressed are still applicable.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|------------------------|--|
| 214065 | WELL | PR | 09/13/1959 | GW | 067-05362 | MCELVAIN HARMON UNIT 1 | PR <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 Mortors: _____ | 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

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

Comment: Well sign indicates the API for this location is 067-08193. Our records indicate the API is 067-05362.

Corrective Action: Please let us know if this is incorrect.

| Spills: | | | | |
|--|------|--------|-------------------|---------|
| Type | Area | Volume | Corrective action | CA Date |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

| Venting: | |
|-----------------|---------|
| Yes/No | Comment |
| | |

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

Predrill

Location ID: 214065

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:

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: 214065 Type: WELL API Number: 067-05362 Status: PR Insp. Status: 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: _____

Comment: Revegetation is progressing within the interim reclamation area. Poor revegetation on the steep slope adjacent to the access road and the west side of the project area is resulting in rill erosion. See comments in stormwater section below.

- 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? In

Production areas have been stabilized? In 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 In

1003 f. Weeds Noxious weeds? _____ I _____

Comment: _____

| | |
|-----------------------------|------------|
| Overall Interim Reclamation | In Process |
|-----------------------------|------------|

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 _____

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: ACTION REQUIRED Corrective Date: 12/31/2014

Comment: The ungravelled access road connecting the 067-05362 and 067-05373 locations is in poor condition. Stormwater erosional channels and exposed rocks are present on the road surface. In addition, it appears that stormwater flows are causing downcutting along the southern edge of the gravelled access road that leads to the location from the south. Rill erosion is occurring on the cut slope on the western edge of the well pad.

CA: The ungravelled access road needs maintenance to provide safe vehicle passage and control erosion from stormwater flows. Downcutting in the roadside ditch along the gravelled road should be monitored and stormwater BMPS applied if erosion worsens. Vegetation needs to be monitored on the poorly revegetated slope during the active growing season. Reseeding this area may be necessary to achieve stabilization.

Pits: NO SURFACE INDICATION OF PIT

| COGCC Comments | | |
|---|------|------------|
| Comment | User | Date |
| Location does not meet reclamation regulations. Stormwater and road maintenance need to be controlled on the location by December 31, 2014. | RoyC | 11/19/2014 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 667100191 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3489413 |

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.)