

**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
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Inspection Date:  
12/09/2014

Document Number:  
675200924

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____
	<u>432551</u>	<u>432551</u>	<u>CONKLIN, CURTIS</u>		

**Operator Information:**

OGCC Operator Number: <u>100185</u>
Name of Operator: <u>ENCANA OIL &amp; GAS (USA) INC</u>
Address: <u>370 17TH ST STE 1700</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202-</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
Kellerby, Shaun		shaun.kellerby@state.co.us	NW Supervisor
Encana,		cogcc.inspections@encana.com	All Inspections
Hartman, Robert	(970) 244-3041	bhartman@blm.gov	Petroleum Engineer

**Compliance Summary:**

QtrQtr: NENW Sec: 22 Twp: 7S Range: 95W

**Inspector Comment:**

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
432292	WELL	PR	12/31/2013	OW	045-21945	Hagen Federal 22-1AA (PC22)	PR	<input checked="" type="checkbox"/>
432546	WELL	PR	01/06/2014	OW	045-22005	Hagen Federal 15-16C (PC22)	PR	<input checked="" type="checkbox"/>
432547	WELL	PR	12/31/2013	GW	045-22006	Hagen Federal 22-4C (PC22)	PR	<input checked="" type="checkbox"/>
432548	WELL	PR	12/25/2013	OW	045-22007	Hagen Federal 22-1D (PC22)	PR	<input checked="" type="checkbox"/>
432549	WELL	PR	01/07/2014	OW	045-22008	Hagen Federal 22-4B (PC22)	PR	<input checked="" type="checkbox"/>
432550	WELL	PR	04/03/2014	OW	045-22009	Hagen Federal 15-16B (PC22)	PR	<input checked="" type="checkbox"/>
432552	WELL	PR	01/10/2014	OW	045-22010	Hagen Federal 22-8A (PC22)	PR	<input checked="" type="checkbox"/>
432553	WELL	PR	12/19/2013	GW	045-22011	Hagen Federal 22-5A (PC22)	PR	<input checked="" type="checkbox"/>
432554	WELL	PR	01/13/2014	OW	045-22012	Hagen Federal 22-2DD (PC22)	PR	<input checked="" type="checkbox"/>
432555	WELL	PR	12/27/2013	OW	045-22013	Hagen Federal 22-4D (PC22)	PR	<input checked="" type="checkbox"/>

432556	WELL	PR	01/18/2014	GW	045-22014	Hagen Federal 22-5AA (PC22)	PR	X
432557	WELL	PR	12/31/2013	GW	045-22015	Hagen Federal 22-2D (PC22)	PR	X
432558	WELL	PR	01/17/2014	GW	045-22016	Hagen Federal 22-1A (PC22)	PR	X
432561	WELL	PR	12/31/2013	GW	045-22017	Hagen 22-3B (PC22)	PR	X
432562	WELL	PR	01/10/2014	GW	045-22018	Hagen 15-13D (PC22)	PR	X
432563	WELL	PR	01/16/2014	GW	045-22019	Hagen 15-14A (PC22)	PR	X
432564	WELL	PR	01/14/2014	GW	045-22020	Hagen 22-3D (PC22)	PR	X
432565	WELL	PR	01/11/2014	OW	045-22021	Hagen 15-14C (PC22)	PR	X
432566	WELL	PR	01/18/2014	GW	045-22022	Hagen 15-14D (PC22)	PR	X
432567	WELL	PR	01/10/2014	OW	045-22023	Hagen 22-3A (PC22)	PR	X
432810	WELL	PR	01/13/2014	GW	045-22050	Hagen Clem 15-10C (PC22)	PR	X

**Equipment:**

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>20</u>	Production Pits: _____
Condensate Tanks: <u>11</u>	Water Tanks: _____	Separators: <u>20</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: _____	Water Pipeline: <u>1</u>
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: <u>1</u>	Fuel Tanks: _____

**Location**

**Lease Road:**

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY			

**Signs/Marker:**

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

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

Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

<b>Good Housekeeping:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
STORAGE OF SUPL	<b>ACTION REQUIRED</b>	Stored dirt/gravel.	Remove or install stormwater BMPs around pile to prevent sediment migration on to location.	01/30/2015
UNUSED EQUIPMENT	<b>ACTION REQUIRED</b>	Fresh water frac tank	Remove to comply with COGCC rules	01/30/2015

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

<b>Fencing/:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
LOCATION	SATISFACTORY			

<b>Equipment:</b>					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Gathering Line	1	SATISFACTORY			
Emission Control Device	1	SATISFACTORY	Lit at time of inspection		
Gas Meter Run	1	SATISFACTORY			
Vertical Heated Separator	20	SATISFACTORY			
Bird Protectors	6	SATISFACTORY			
Plunger Lift	20	SATISFACTORY	21 plungers		
Horizontal Heated Separator	1	SATISFACTORY			

<b>Facilities:</b>				
<input type="checkbox"/> New Tank		Tank ID: _____		
Contents	#	Capacity	Type	SE GPS
CONDENSATE	8	500 BBLS	STEEL AST	39.427920,-107.986110
S/A/V:	SATISFACTORY		Comment:	
Corrective Action:				Corrective Date:

<b>Paint</b>	
Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____
Other (Type)	_____

<b>Berms</b>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficent	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

<b>Venting:</b>	
Yes/No	Comment
NO	

<b>Flaring:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 432551

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/AV:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

Group	User	Comment	Date
OGLA	kubeczkod	<p>PROJECT RULISON-RELATED COAs:</p> <p>Email notification shall be sent to COGCC field inspection staff at the time of spud notice to identify the wells location with respect to both the sector and tier as defined by the Rulison Sampling and Analysis Plan (RSAP). Submit Form 42: Other as specified by permit condition.</p> <p>Comply with all DOE Office of Legacy Management requests for sampling and analysis of natural gas and other materials associated with drilling, completion, and production.</p> <p>Operator shall comply with all provisions of the most recent COGCC approved revision of the Rulison Sampling and Analysis Plan (RSAP).</p> <p>Perform a high accuracy gyroscopic directional wellbore survey upon reaching total depth of each well. Submit a copy of the survey along with a Sundry Notice, Form 4 requesting approval to <a href="mailto:dnr_rulison.submittal@state.co.us">dnr_rulison.submittal@state.co.us</a> and <a href="mailto:jane.stanczyk@state.co.us">jane.stanczyk@state.co.us</a>. The directional drilling survey report shall include a map view and vertical profile view showing wellbore trajectory and distance from the 1/2-mile radius (or substitute "1-mile radius" as appropriate depending on which buffer the BHL is located in) from Project Rulison. The operator shall obtain approval from COGCC permitting staff prior to commencing casing perforating and other completion operations.</p>	04/12/2013
OGLA	kubeczkod	<p>SITE SPECIFIC 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>The nearby hillside must be monitored for any day-lighting of drilling fluids throughout the drilling of the surface casing interval.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines</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</p>	04/04/2013

intervals (at least every 14 days), and maintained in good condition.

The location is in an area of moderate to high run-on / run-off potential; therefore the pad and access road shall be constructed to prevent any stormwater run-on and/or stormwater run-off. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff.

The moisture content of any drill cuttings in a cuttings trench, container, or bermed/covered pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts.

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 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.

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.

A closed loop mud system shall be utilized to ensure containment of all materials that have been in contact with downhole strata and fluids. All cuttings will be kept on the pad in an area where they can be isolated from the ground surface, precipitation, and precipitation/snow melt run-on/run-off. Contour features, french drains and other stormwater BMPs as necessary shall be employed to ensure site integrity.

No individual operator shall utilize more than one rig within one mile of the Project Rulison blast site at any given time and no individual operator shall utilize more than two rigs within a three mile radius of the site at any given time. The total number of rigs allowed by all operators within three miles of the site shall be limited to five at any given time.

Operator will conduct regular inspections of equipment for leaks and equipment problems with appropriate documentation retained in the operator's office. All equipment deficiencies shall be corrected. Monitoring should end approximately 30 days after well completion and/or after production has been stabilized; however, timely inspections should continue during the production phase.

Operator will use adequately sized containment devices for all chemicals and/or hazardous materials stored or used on location.

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.

**S/AV:** \_\_\_\_\_ **Comment:** Secondary containment is in place around fluids. Stormwater BMPs in place around location and on road.

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Wildlife BMPs:**

BMP Type	Comment
Interim Reclamation	Maintenance Revegetation Monitoring BMP maintenance & monitoring Weed Management

Pre-Construction	Wattles, Silt Fence, Vegetation Buffers, Slash, Topsoil Windrows (diversions & ROP's), Scheduling, Phased Construction
Construction	(Not all are used all the time) Terminal Containment, Diversions, Run-On Protection, Tracking, Benching, Terracing, ECM (Erosion Control Mulch), ECB (Erosion Control Blanket), Check Dams, Seeding, Mulching, Water Bars, Stabilized Unpaved Surfaces (Gravel), Stormwater & Snow Storage Containment, Scheduling, Phased Construction, Temporary Flumes, Culverts with inlet & outlet protection, Rip Rap, TRM (Turf Reinforcement Mats), Maintenance, Scheduling, Phased Construction, Fueling BMP's, Waste Management BMP's, Materials Handling BMP's
Wildlife	Minimize the number, length and footprint of oil & gas development roads Use existing routes where possible Combine utility infrastructure planning (gas, electric & water) when possible with roadway planning to avoid separate utility corridors Coordinate Employee transport when possible  Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors. Maximize use of state-of-the-art drilling technology (e.g., high efficiency rigs, coiled-tubing unit rigs, closed-loop or pitless drilling, etc.) to minimize disturbance.  Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.

**S/AV:** \_\_\_\_\_ **Comment:** Interim reclamation has been done.

**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: 432292 Type: WELL API Number: 045-21945 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

Facility ID: 432546 Type: WELL API Number: 045-22005 Status: PR Insp. Status: PR

<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432547	Type:	WELL	API Number:	045-22006	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432548	Type:	WELL	API Number:	045-22007	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432549	Type:	WELL	API Number:	045-22008	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432550	Type:	WELL	API Number:	045-22009	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432552	Type:	WELL	API Number:	045-22010	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432553	Type:	WELL	API Number:	045-22011	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432554	Type:	WELL	API Number:	045-22012	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432555	Type:	WELL	API Number:	045-22013	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432556	Type:	WELL	API Number:	045-22014	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432557	Type:	WELL	API Number:	045-22015	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									
Facility ID:	432558	Type:	WELL	API Number:	045-22016	Status:	PR	Insp. Status:	PR
<b>Producing Well</b>									
Comment: <b>PR</b>									

Facility ID: 432561 Type: WELL API Number: 045-22017 Status: PR Insp. Status: PR

**Producing Well**

Comment: **PR**

Facility ID: 432562 Type: WELL API Number: 045-22018 Status: PR Insp. Status: PR

**Producing Well**

Comment: **PR**

Facility ID: 432563 Type: WELL API Number: 045-22019 Status: PR Insp. Status: PR

**Producing Well**

Comment: **PR**

Facility ID: 432564 Type: WELL API Number: 045-22020 Status: PR Insp. Status: PR

**Producing Well**

Comment: **PR**

Facility ID: 432565 Type: WELL API Number: 045-22021 Status: PR Insp. Status: PR

**Producing Well**

Comment: **PR**

Facility ID: 432566 Type: WELL API Number: 045-22022 Status: PR Insp. Status: PR

**Producing Well**

Comment: **PR**

Facility ID: 432567 Type: WELL API Number: 045-22023 Status: PR Insp. Status: PR

**Producing Well**

Comment: **PR**

Facility ID: 432810 Type: WELL API Number: 045-22050 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? \_\_\_\_\_ 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? Pass 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 Pass Recontoured Pass 80% Revegetation In

1003 f. Weeds Noxious weeds? \_\_\_\_\_

Comment: \_\_\_\_\_

Overall Interim Reclamation In Process

**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

<b>Storm Water:</b>						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Compaction	Pass	Culverts	Pass			
Gravel	Pass	Slope Roughening	Pass			
Ditches	Pass	Gravel	Pass			
Slope Roughening	Pass					
Drains	Pass	Retention Ponds	Pass			
Hydro Mulch	Pass					
Retention Ponds	Pass					
Culverts	Pass	Ditches	Pass			
Waddles	Pass					
Berms	Pass	Compaction	Pass			

S/A/V: SATISFACTOR \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Y \_\_\_\_\_

Comment: \_\_\_\_\_

CA: \_\_\_\_\_

**Pits:**  NO SURFACE INDICATION OF PIT

<b>COGCC Comments</b>		
Comment	User	Date
See attached photos.	conklinc	12/09/2014

**Attached Documents**

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

Document Num	Description	URL
675200932	Hagen Federal 22-8A	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3502423">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3502423</a>

## **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.)