

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:
12/15/2014

Document Number:
666800423

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|------------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>418545</u> | <u>418544</u> | <u>Murray, Richard</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</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 |
|-----------------|--------------|----------------------------|------------------------------------|
| Knudson, Dwayne | 970-372-5706 | dknudson@ursaresources.com | |
| Bleil, Robert | | rbleil@ursaresources.com | Regulatory & Environmental Manager |

Compliance Summary:

| | | | | | | | |
|---------|-------------|------|-----------|------|-----------|--------|------------|
| QtrQtr: | <u>NESW</u> | Sec: | <u>31</u> | Twp: | <u>5S</u> | Range: | <u>91W</u> |
|---------|-------------|------|-----------|------|-----------|--------|------------|

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 04/05/2012 | 663800257 | SI | SI | SATISFACTORY | | | No |
| 02/17/2012 | 659700078 | SI | SI | ACTION REQUIRED | F | | No |
| 12/30/2010 | 200290882 | CO | WO | SATISFACTORY | | | No |
| 12/10/2010 | 200287099 | CO | WO | SATISFACTORY | | | No |
| 09/28/2010 | 200276429 | SR | WO | SATISFACTORY | | | No |
| 09/28/2010 | 200274614 | CO | WO | SATISFACTORY | | | No |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------|--|
| 418545 | WELL | TA | 09/16/2013 | GW | 045-19728 | Fenno Ranch A1 | TA <input checked="" type="checkbox"/> |

Equipment:

Location Inventory

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

| Location | | | | |
|--|------------------------------|------------------------------|---------------------------------------|------------|
| Signs/Marker: | | | | |
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WELLHEAD | ACTION REQUIRED | No sign | Install sign to comply with rule 210. | 01/07/2015 |
| Emergency Contact Number (S/A/V): <u>SATISFACTORY</u> | | | Corrective Date: _____ | |
| Comment: _____ | | | | |
| Corrective Action: _____ | | | | |
| Spills: | | | | |
| Type | Area | Volume | Corrective action | CA Date |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |
| Equipment: | | | | |
| Type | # | Satisfactory/Action Required | Comment | CA Date |
| Deadman # & Marked | 1 | SATISFACTORY | | |
| Venting: | | | | |
| Yes/No | Comment | | | |
| NO | | | | |
| Flaring: | | | | |
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| | | | | |

| Predrill | | | |
|----------------------------|-----------|---|------------|
| Location ID: <u>418545</u> | | | |
| Site Preparation: | | | |
| Lease Road Adeq.: | Pads: | Soil Stockpile: | |
| _____ | _____ | _____ | |
| S/A/V: _____ | | | |
| Corrective Action: | Date: | CDP Num.: | |
| _____ | _____ | _____ | |
| Form 2A COAs: | | | |
| Group | User | Comment | Date |
| Agency | kubeczkod | Location may be in a sensitive area because of close proximity to a domestic water well; therefore either a lined drilling pit or closed loop system must be implemented. | 07/14/2010 |
| Agency | yokleyb | Location may be in a sensitive area because of close proximity to a domestic water well; therefore production pits must be lined. | 07/01/2010 |
| Agency | kubeczkod | Location is in a sensitive area because of proximity to surface water; therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations. | 07/14/2010 |

| | | | |
|--------|-----------|---|------------|
| Agency | kubeczkod | Operator must implement best management practices to contain any unintentional release of fluids. | 07/14/2010 |
|--------|-----------|---|------------|

S/A/V: SATISFACTORY **Comment:** No drilling or completions being performed at time of inspection,

CA: _____ **Date:** _____

Wildlife BMPs:

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: 418545 Type: WELL API Number: 045-19728 Status: TA Insp. Status: TA

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/A/V: _____ CA Date: _____

CA: _____

Comment: Mit test 3/02/2013

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: _____ Lat _____ Long _____
 DWR Receipt Num: _____ Owner Name: _____ GPS : _____

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: HAY MEADOW, IRRIGATED, RANGELAND
 Comment: in process

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? Pass CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? Pass Production areas stabilized ? Pass
 1003c. Compacted areas have been cross ripped? Pass
 1003d. Drilling pit closed? Pass 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: _____

Inspector Name: Murray, Richard

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: HAY MEADOW, IRRIGATED, 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | Waddles | Pass | | | |
| | | Gravel | Pass | | | |
| Slope Roughening | Pass | | | | | |
| | | Berms | Pass | | | |
| | | Culverts | Pass | | | |
| Seeding | Pass | | | | | |
| Drains | Pass | | | | | |

S/A/V: SATISFACTOR Corrective Date: _____
Y _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------|---|
| 666800436 | Fenno | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3509769 |

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.)