

**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:  
01/26/2015

Document Number:  
675100887

Overall Inspection:  
SATISFACTORY

**FIELD INSPECTION FORM**

|                     |               |               |                       |                          |             |
|---------------------|---------------|---------------|-----------------------|--------------------------|-------------|
| Location Identifier | Facility ID   | Loc ID        | Inspector Name:       | On-Site Inspection       | 2A Doc Num: |
|                     | <u>439963</u> | <u>336392</u> | <u>GRANAHAN, KYLE</u> | <input type="checkbox"/> |             |

**Operator Information:**

|                       |  |
|-----------------------|--|
| OGCC Operator Number: | <u>49100</u>                                     |
| Name of Operator:     | <u>KOCH EXPLORATION COMPANY, LLC</u>             |
| Address:              | <u>950 17TH STREET #1900</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         |
|--------------|--------------|----------------------|-----------------|
| Clark, John  | 505-334-9111 | clark23j@kochind.com | Rio Blanco insp |

**Compliance Summary:**

| QtrQtr:    | <u>NWSW</u> | Sec:       | <u>29</u>   | Twp:                          | <u>2N</u> | Range:         | <u>96W</u>      |
|------------|-------------|------------|-------------|-------------------------------|-----------|----------------|-----------------|
| Insp. Date | Doc Num     | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I  | Pas/Fail (P/F) | Violation (Y/N) |
| 12/13/2014 | 675100731   | DG         | DG          | SATISFACTORY                  |           |                | No              |

**Inspector Comment:**

*Flow back inspection in regards to DOC # 400772049*

**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name      | Insp Status                            |
|-------------|------|--------|-------------|------------|-----------|--------------------|--|
| 232246      | WELL | PR     | 10/16/2003  | GW         | 103-09917 | WRD UNIT 29-31     | TA <input checked="" type="checkbox"/> |
| 259579      | WELL | PA     | 10/29/2010  | GW         | 103-10106 | WRD UNIT 29-31 S   | PA <input type="checkbox"/>            |
| 439963      | WELL | DG     | 12/11/2014  |            | 103-12170 | WRD FEDERAL 30-34D | WK <input checked="" type="checkbox"/> |

**Equipment:**

Location Inventory

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

**Location**

| <b>Signs/Marker:</b> |                              |                        |                   |         |
|----------------------|------------------------------|------------------------|-------------------|---------|
| Type                 | Satisfactory/Action Required | Comment                | Corrective Action | CA Date |
| TANK LABELS/PLACARDS | SATISFACTORY                 | Flowback tanks labeled |                   |         |
| BATTERY              | SATISFACTORY                 | Located at gas meter   |                   |         |

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: \_\_\_\_\_

Comment: 1-877-352-4660

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

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

| <b>Equipment:</b>           |   |                              |         |                   |         |
|-----------------------------|---|------------------------------|---------|-------------------|---------|
| Type                        | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Deadman # & Marked          | 4 | SATISFACTORY                 |         |                   |         |
| Horizontal Heated Separator | 2 | SATISFACTORY                 |         |                   |         |
| Gas Meter Run               | 2 | SATISFACTORY                 |         |                   |         |
| Bird Protectors             | 4 | SATISFACTORY                 |         |                   |         |

**Facilities:**  New Tank Tank ID: \_\_\_\_\_

| Contents       | # | Capacity | Type             | SE GPS |
|----------------|---|----------|------------------|--------|
| PRODUCED WATER | 2 | 300 BBLS | HEATED STEEL AST | ,      |

S/A/V: SATISFACTORY Comment: Same berm as crude

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

**Paint**

| Condition        | Adequate |
|------------------|----------|
| Other (Content)  | _____    |
| Other (Capacity) | _____    |
| Other (Type)     | _____    |

**Berms**

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|------|----------|---------------------|---------------------|-------------|
|      |          |                     |                     |             |

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

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

**Facilities:**  New Tank Tank ID: \_\_\_\_\_

| Contents  | # | Capacity | Type             | SE GPS                |
|-----------|---|----------|------------------|-----------------------|
| CRUDE OIL | 2 | 300 BBLS | HEATED STEEL AST | 40.111080,-108.195430 |

S/A/V: SATISFACTORY Comment: \_\_\_\_\_

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

**Paint**

|                   |          |                     |                     |                 |
|-------------------|----------|---------------------|---------------------|-----------------|
| Condition         | Adequate |                     |                     |                 |
| Other (Content)   | _____    |                     |                     |                 |
| Other (Capacity)  | _____    |                     |                     |                 |
| Other (Type)      | _____    |                     |                     |                 |
| <b>Berms</b>      |          |                     |                     |                 |
| Type              | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance     |
| Metal             | Adequate | Walls Sufficient    | 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: 439963

**Site Preparation:**  
 Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/AV:** \_\_\_\_\_  
 Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

| Group | User     | Comment  | Date       |
|-------|----------|--|------------|
| OGLA  | kubeczkd | Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network.   | 11/17/2014 |
| OGLA  | kubeczkd | Notify the COGCC 48 hours prior to start of pad reconstruction/regarding (if necessary), rig mobilization, spud, pipeline testing, start of hydraulic stimulation operations, and start of flowback operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations). Sincew Koch has already built this pad, timing of notifications for pad reconstruction and rig mobilization do not need to be adhered to for this well. Any additional wells (if drilled in the future) will need to follow the notification timelines in the future. | 11/17/2014 |

|      |          |   |            |
|------|----------|---|------------|
| OGLA | kubeczkd | <p>Operator must ensure secondary containment for any volume of fluids contained at well pad site during operations; including, but not limited to, construction/reconstruction 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 after precipitation events), and maintained in good condition.</p> <p>The access road will be maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>Strategically apply fugitive dust control measures, including encouraging established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner or equivalent) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p>  | 11/17/2014 |
| OGLA | kubeczkd | <p>The moisture content of drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts. After drilling and completion operations have been completed, the drill cuttings that will remain on the well pad location (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), must meet the applicable standards of Table 910-1. After the drill cuttings have been amended (if necessary) and placed on the well pad, sampling frequency of the drill cuttings (to be determined by the operator) shall be representative of the material left on location. No offsite disposal of cuttings to another oil and gas location shall occur without prior approval of a Waste Management Plan (submitted via a Form 4 Sundry Notice) specifying disposal location and waste characterization method. Commercial disposal of drill cuttings will only require notification to COGCC via a Form 4 Sundry Notice.</p> <p>If the well(s) is(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 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 constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.</p> | 11/17/2014 |

**S/A/V:** \_\_\_\_\_ **Comment:** \_\_\_\_\_

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

**Wildlife BMPs:**

| BMP Type                       | Comment   |
|--------------------------------|---|
| Storm Water/Erosion Control    | A Master Stormwater Management Plan, as required by the CDPHE, is in place for the White River Dome field and includes the subject location. The plan details BMPs related to storm water management and erosion control that will be implemented during construction and interim reclamation. A Post-Constriction Stormwater Plan is in place and will be implemented after interim reclamation is complete. |
| Drilling/Completion Operations | Koch Exploration Company will comply with the most current revision of the Northwest Colorado Notification Policy.  |

|  |   |
|--|---|
| Material Handling and Spill Prevention | Koch Exploration Company (KEC) operates certain natural gas production wells in Rio Blanco County, Colorado that are subject to SPCC planning and requirements because they have oil storage capacity greater than 1,320 gallons (approximately 31 bbls). For those wells that meet or exceed the threshold storage requirements (referred to henceforth as the "SPCC Wells") KEC is required to develop and implement an SPCC plan. This field wide SPCC Plan has been developed for the KEC SPCC wells that together are referred to as the Rio Blanco County Well Sites, Colorado in response to the regulations listed above.   |
| Wildlife                               | <ol style="list-style-type: none"> <li>1. Where drilling and completion activities must occur in mule deer critical winter range, conduct these activities outside the time period from December 1 through April 15, unless an approval is granted by the BLM authorized officer.</li> <li>2. Restrict work-over rig activities to between the hours of 10:00 am and 3:00 pm from December 1 to April 15 when possible, to accommodate mule deer critical winter range, unless an approval is granted by the BLM authorized officer.</li> <li>3. Concentrate post-development water truck delivery trips to between the hours of 10:00 am and 3:00 pm from December 1 to April 15 when possible to accommodate mule deer critical winter range.</li> <li>4. Follow company guidelines to minimize wildlife mortality from vehicle collisions on roads.</li> </ol> |

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: 232246 Type: WELL API Number: 103-09917 Status: PR Insp. Status: TA

**Idle Well**

Purpose:  Shut In  Temporarily Abandoned Reminder: EQUIPMENT PRESENT/DISCONNECTED

S/A/V: SATISFACTORY CA Date: \_\_\_\_\_

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

Comment: Well disconnected and protected until 30-43D is finished

Facility ID: 439963 Type: WELL API Number: 103-12170 Status: DG Insp. Status: WK

**Workover**

Comment: FLOWBACK Inspection - Workover rig on location to drill plugs out  
Flow back equipment -  
1 - Sand can  
1 - 2 stage separator  
1 - Flare  
1 - 500 BBL open top frac tank  
1 - 500 BBL frac tank  
Secondary containment provided -  
- compacted berms around location  
- compacted berms around flowback tanks and equipment.

**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: 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: \_\_\_\_\_

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Compaction       | Pass            |                         |                       |               |                          |         |
| Gravel           | Pass            |                         |                       |               |                          |         |
|                  |                 | Gravel                  | Pass                  |               |                          |         |
|                  |                 | Compaction              | Pass                  |               |                          |         |
| Retention Ponds  | Pass            |                         |                       |               |                          |         |

Inspector Name: GRANAHAN, KYLE

|       |      |  |  |      |      |                                |
|-------|------|--|--|------|------|--------------------------------|
| Berms | Pass |  |  |      |      |                                |
|       |      |  |  | MHSP | Pass | Secondary containment provided |

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

Comment: Snow cover prevented a full evaluation of stormwater BMP's – no evidence of soil migration at time of inspection.

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

**Pits:**     NO SURFACE INDICATION OF PIT