

**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:
01/26/2015Document Number:
675100887Overall Inspection:
SATISFACTORY**FIELD INSPECTION FORM**

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

Operator Information:OGCC Operator Number: 49100Name of Operator: KOCH EXPLORATION COMPANY, LLCAddress: 950 17TH STREET #1900City: DENVER State: CO Zip: 80202

- ☐ 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: NWSW Sec: 29 Twp: 2N Range: 96W

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

Signs/Marker:				
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: _____

Spills:				
Type	Area	Volume	Corrective action	CA Date

☐ Multiple Spills and Releases?

Equipment:					
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
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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

Inspector Name: GRANAHAN, KYLE

Condition	Adequate			
Other (Content)				
Other (Capacity)				
Other (Type)				
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

Venting:	
Yes/No	Comment
NO	

Flaring:				
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.

Inspector Name: GRANAHAH, KYLE

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	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. 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. 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. 4. Follow company guidelines to minimize wildlife mortality from vehicle collisions on roads.

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 REVEGETATIONCropland

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