

**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:

01/30/2015

Document Number:

673900698

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 438204 | 438202 | Rains, Bill | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 8960Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANYAddress: 410 17TH STREET SUITE #1400City: 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 |
|--------------|-------|--------------------|-------------------------|
| Jones, Allen | | jaj@bonanzacrk.com | send all Insp. to Allen |

Compliance Summary:QtrQtr: NWNW Sec: 33 Twp: 5N Range: 63W**Inspector Comment:****Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|----------------------------|-------------|-------------------------------------|
| 438198 | WELL | DG | 10/09/2014 | | 123-39902 | North Platte 11-41-33HNB | PR | <input checked="" type="checkbox"/> |
| 438199 | WELL | DG | 09/10/2014 | | 123-39903 | North Platte A-U-33HNB | PR | <input checked="" type="checkbox"/> |
| 438200 | WELL | DG | 08/31/2014 | | 123-39904 | North Platte A-U-33HC | PR | <input checked="" type="checkbox"/> |
| 438201 | WELL | DG | 09/19/2014 | | 123-39905 | North Platte A11-U41-33HNC | PR | <input checked="" type="checkbox"/> |
| 438203 | WELL | DG | 09/29/2014 | | 123-39906 | North Platte 11-41-33HC | PR | <input checked="" type="checkbox"/> |
| 438204 | WELL | XX | 07/21/2014 | | 123-39907 | North Platte B11-V41-33HNC | PR | <input checked="" type="checkbox"/> |

Equipment:**Location Inventory**

| | | | |
|-------------------------------------|------------------------------|-----------------------------|--------------------------------|
| Special Purpose Pits: <u> </u> | Drilling Pits: <u> </u> | Wells: <u>7</u> | Production Pits: <u> </u> |
| Condensate Tanks: <u>4</u> | Water Tanks: <u>7</u> | Separators: <u>7</u> | Electric Motors: <u>14</u> |
| Gas or Diesel Motors: <u>7</u> | Cavity Pumps: <u> </u> | LACT Unit: <u>2</u> | Pump Jacks: <u>7</u> |
| Electric Generators: <u>4</u> | Gas Pipeline: <u> </u> | Oil Pipeline: <u> </u> | Water Pipeline: <u> </u> |
| Gas Compressors: <u>10</u> | VOC Combustor: <u>8</u> | Oil Tanks: <u>28</u> | Dehydrator Units: <u>1</u> |
| Multi-Well Pits: <u> </u> | Pigging Station: <u>1</u> | Flare: <u>1</u> | Fuel Tanks: <u> </u> |

Location

Inspector Name: Rains, Bill

| Signs/Marker: | | | | |
|----------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WELLHEAD | SATISFACTORY | | | |
| CONTAINERS | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |
| BATTERY | SATISFACTORY | | | |

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

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 | Corrective Action | CA Date |
| VRU | 2 | SATISFACTORY | | | |
| Horizontal Heated Separator | 6 | SATISFACTORY | | | |
| Vertical Separator | 7 | SATISFACTORY | | | |
| Ancillary equipment | 13 | SATISFACTORY | OIL AND METH TANKS | | |
| Plunger Lift | 6 | SATISFACTORY | | | |
| Compressor | 3 | SATISFACTORY | | | |
| Bird Protectors | 12 | SATISFACTORY | | | |
| Gas Meter Run | 12 | SATISFACTORY | | | |
| Emission Control Device | 6 | SATISFACTORY | | | |
| Gathering Line | 3 | SATISFACTORY | | | |

| Facilities: | | | | |
|-----------------------------------|----------------|----------|-----------------|------------------------|
| <input type="checkbox"/> New Tank | Tank ID: _____ | | | |
| Contents | # | Capacity | Type | SE GPS |
| | | | CENTRALIZED PAD | , |
| S/A/V: | Comment: _____ | | | |
| Corrective Action: | | | | Corrective Date: _____ |

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

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

Inspector Name: Rains, Bill

| | | | | | | |
|-------------------|--|--|--|--|-----------------|--|
| Corrective Action | | | | | Corrective Date | |
| Comment | | | | | | |

Facilities: ☐ New Tank Tank ID: _____

| | | | | |
|----------|---|-----------|--------------|-----------------------|
| Contents | # | Capacity | Type | SE GPS |
| OTHER | 1 | <100 BBLS | PBV CONCRETE | 40.361520,-104.448610 |

| | | | | | |
|--------|--------------|----------|--|--|--|
| S/A/V: | SATISFACTORY | Comment: | | | |
|--------|--------------|----------|--|--|--|

| | | | | | | |
|--------------------|--|--|--|--|------------------|--|
| Corrective Action: | | | | | Corrective Date: | |
|--------------------|--|--|--|--|------------------|--|

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| | | | | |
|-------|----------|---------------------|---------------------|-------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Earth | Adequate | Walls Sufficient | Base Sufficient | Adequate |

| | | | | | | |
|-------------------|--|--|--|--|-----------------|--|
| Corrective Action | | | | | Corrective Date | |
| Comment | | | | | | |

Facilities: ☐ New Tank Tank ID: _____

| | | | | |
|----------------|---|----------|-----------|--------|
| Contents | # | Capacity | Type | SE GPS |
| PRODUCED WATER | 2 | OTHER | STEEL AST | , |

| | | | | | |
|--------|--------------|----------|--------------|--|--|
| S/A/V: | SATISFACTORY | Comment: | 750bbl TANKS | | |
|--------|--------------|----------|--------------|--|--|

| | | | | | | |
|--------------------|--|--|--|--|------------------|--|
| 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 | 8 | OTHER | STEEL AST | 40.362110,-104.449880 |

| | | | | | |
|--------|--------------|----------|--------------|--|--|
| S/A/V: | SATISFACTORY | Comment: | 750bbl TANKS | | |
|--------|--------------|----------|--------------|--|--|

| | | | | | | |
|--------------------|--|--|--|--|------------------|--|
| Corrective Action: | | | | | Corrective Date: | |
|--------------------|--|--|--|--|------------------|--|

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

Other (Content) _____

Other (Capacity) _____

Inspector Name: Rains, Bill

| | | | | |
|--------------------|----------|---------------------|---------------------|-----------------|
| 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 |
| | | | | |

| | | | | |
|--------------------------|-----------------------|-------------|-----------------------|--------------------|
| <u>Predrill</u> | | | | |
| Location ID: 438204 | | | | |
| Site Preparation: | | | | |
| Lease Road Adeq.: _____ | | Pads: _____ | Soil Stockpile: _____ | |
| S/A/V: _____ | | | | |
| Corrective Action: _____ | | Date: _____ | CDP Num.: _____ | |
| Form 2A COAs: | | | | |
| S/A/V: _____ | Comment: _____ | | | |
| CA: _____ | | | | Date: _____ |

| | |
|--------------------------------|---|
| Wildlife BMPs: | |
| BMP Type | Comment |
| Drilling/Completion Operations | • Once in operation, M LVTs will be inspected daily and any deficiencies repaired as soon as practicable. |
| Pre-Construction | MLVTs will be constructed and operated in accordance with a design certified by a Colorado Licensed Professional Engineer. |
| Dust control | Oil and gas facilities and equipment will be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare. If drilling mud is to sit stagnant for any lengthy period of time, biocides will be added to prevent the build-up of nuisance odors. The location, the access road coming off of CR 50, and CR 50 will be watered, as needed, to prevent the formation of fugitive dust due to truck traffic and equipment operations. Additionally, exceptionally sandy locations will be plated with up to 4-inches of cohesive soils or Class V Roadbase. During frac'ing operations, dust control socks will be placed on the mountain movers/sand masters and storage bins to control the spread of fugitive silica dust. During hydraulic fracturing operations, a Sierra Frac Sand, LLC Total Dust Control System, or equivalent, will be implemented in order to control the release of fugitive dust from inspection hatches on top of the bulk storage movers, transfer belts, "T" or "V" belts leading to the blender hopper, and drop points throughout the activities of unloading, storing, transfer or conveying of sand used in hydraulic fracturing operations. |

| | |
|--------------------------------|--|
| Noise mitigation | A noise study conducted by Behrens and Associates, Inc. has been conducted on the proposed drill rig for this location while the referenced rig was in full operation. The results of the noise study were used to model the drill rig at the proposed drilling location, relative to the residences located 590' and 630' North of the proposed well. As a result of the modeling, 32' high sound walls will be installed along the West, North, and East perimeter of the drilling location. Additionally, 16' high acoustical panels will be set along the West, North, and East perimeter of the mud pumps/boiler area. |
| Planning | <p>Bonanza will develop a Contingency Plan specific to the location for any LVST leak or catastrophic failure of the tank integrity and resulting loss of fluid. The plan includes a notification process to the COGCC and local Emergency authority (municipality, county, or both) for any failure resulting in loss of fluid.</p> <p>The Contingency Plan will be available to the COGCC upon request.</p> |
| Drilling/Completion Operations | COGCC Rules 604.a and 605.a (2,3,5,6,7, and 8), as applicable to tank setbacks at the time of installation shall apply to the siting of MLVTs. |
| Drilling/Completion Operations | Should a failure of MLVT integrity occur, Bonanza will notify COGCC upon discovery, report the incident to COGCC on a Form 22-Accident Report within 10 days of discovery, and conduct a root cause analysis. The results of the root cause analysis will be reported to COGCC on a Sundry-Form 4 within 30 days of discovery of the failure. |
| Drilling/Completion Operations | Once in operation, MLVTs will be inspected daily and any deficiencies repaired as soon as practicable. |
| Construction | <p>The following procedure describes BCEI standard construction practices for setting a partially buried pre-cast cement water vault and new tank battery construction.</p> <ol style="list-style-type: none"> 1) The excavation will first be lined with 4" of clay or other low permeability soil. 2) A 30 mil liner will be installed on top of the low permeability soil. The 30 mil liner will be a contiguous liner which will underlay the entire tank battery. 3) The tank battery / water vault liner will be keyed into a galvanized steel containment ring installed surrounding the tank battery. 4) Sand bedding will be installed to protect the synthetic liner prior to placing equipment in the containment area. |
| Drilling/Completion Operations | • Bonanza will develop a Contingency Plan specific to the location for any LVST leak or catastrophic failure of the tank integrity and resulting loss of fluid. The plan includes a notification process to the COGCC and local Emergency authority (municipality, county, or both) for any failure resulting in loss of fluid. |
| Drilling/Completion Operations | • MLVTs shall not be located on non-engineered fill material. Subgrade preparation shall be verified by proof-rolling prior to MLVT installation. |
| Drilling/Completion Operations | MLVTs may only be utilized for the storage of freshwater. E&P wastes, including produced water, treated E&P wastes, and flowback from hydraulic fracturing operations will not be allowed. |
| Drilling/Completion Operations | • A minimum of 1 foot of freeboard will be maintained in all MLVTs. |
| Drilling/Completion Operations | Signs shall be posted on each MLVT to indicate contents are freshwater and that no E&P Waste fluids are allowed. Location and additional signage shall conform to Rule 210. |
| Drilling/Completion Operations | A minimum of 1 foot of freeboard will be maintained in all MLVTs. |
| Drilling/Completion Operations | • MLVTs will be constructed and operated in accordance with a design certified by a Colorado Licensed Professional Engineer. |
| Drilling/Completion Operations | MLVTs shall not be located on non-engineered fill material. Subgrade preparation shall be verified by proof-rolling prior to MLVT installation. |
| Drilling/Completion Operations | • Signs shall be posted on each MLVT to indicate contents are freshwater and that no E&P Waste fluids are allowed. Location and additional signage shall conform to Rule 210. |
| Drilling/Completion Operations | • COGCC Rules 604.a and 605.a (2,3,5,6,7, and 8), as applicable to tank setbacks at the time of installation shall apply to the siting of MLVTs. |
| Traffic control | Signage will be placed ahead of all intersections warning motorists of truck traffic entering/exiting the location. |

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| | |
|--------------------------------|---|
| Drilling/Completion Operations | • Access to the tanks shall be limited to operational personnel. |
| Drilling/Completion Operations | To the extent practicable, site lighting will be directed downward and inward and shielded so as to avoid glare affecting vehicles travelling on CR65 and the residences located to the North. |
| Drilling/Completion Operations | • Bonanza will use only MLVTs supplied by Rockwater or other contractors that are knowingly complying with COGCC inspection, maintenance, and record keeping policies |
| Drilling/Completion Operations | • MLVTs may only be utilized for the storage of freshwater. E&P wastes, including produced water, treated E&P wastes, and flowback from hydraulic fracturing operations will not be allowed. |
| Drilling/Completion Operations | All MLVT liners seams shall be welded at the liner manufacturer's facility. Field welded liners shall not be used. Liners shall not be reused. |
| Drilling/Completion Operations | • All MLVT liners seams shall be welded at the liner manufacturer's facility. Field welded liners shall not be used. Liners shall not be reused. |
| Drilling/Completion Operations | • Should a failure of MLVT integrity occur, Bonanza will notify COGCC upon discovery, report the incident to COGCC on a Form 22-Accident Report within 10 days of discovery, and conduct a root cause analysis. The results of the root cause analysis will be reported to COGCC on a Sundry-Form 4 within 30 days of discovery of the failure. |

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: 438198 Type: WELL API Number: 123-39902 Status: DG Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: BRADENHEAD EXPOSED TO SURFACE

CA: _____

CA Date: _____

Facility ID: 438199 Type: WELL API Number: 123-39903 Status: DG Insp. Status: PR

Producing WellComment: **PR****BradenHead**Comment: **BRADENHEAD EXPOSED TO SURFACE**CA: CA Date: Facility ID: 438200 Type: WELL API Number: 123-39904 Status: DG Insp. Status: PR**Producing Well**Comment: **PR****BradenHead**Comment: **BRADENHEAD EXPOSED TO SURFACE**CA: CA Date: Facility ID: 438201 Type: WELL API Number: 123-39905 Status: DG Insp. Status: PR**Producing Well**Comment: **PR****BradenHead**Comment: **BRADENHEAD EXPOSED TO SURFACE**CA: CA Date: Facility ID: 438203 Type: WELL API Number: 123-39906 Status: DG Insp. Status: PR**Producing Well**Comment: **PR****BradenHead**Comment: **BRADENHEAD EXPOSED TO SURFACE**CA: CA Date: Facility ID: 438204 Type: WELL API Number: 123-39907 Status: XX Insp. Status: PR**Producing Well**Comment: **PR****BradenHead**Comment: **BRADENHEAD EXPOSED TO SURFACE**CA: CA Date: **Environmental****Spills/Releases:**Type of Spill: Description: Estimated Spill Volume: Comment: Corrective Action: Date:

Inspector Name: Rains, Bill

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): Y _____

Comment: _____

Pilot: ON _____ Wildlife Protection Devices (fired vessels): YES _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: IRRIGATED

Comment: _____

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? Pass 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? Pass _____ Subsidence over on drill pit? Pass _____

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 In _____ Recontoured In _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

Inspector Name: Rains, Bill

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____

Date Final Reclamation Completed: _____

Final Land Use: IRRIGATED _____

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 | Gravel | Pass | MHSP | Pass | |

S/A/V: SATISFACTOR
Y _____

Corrective Date: _____

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT