

**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:
02/27/2015Document Number:
670900216

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	436223	318806	Peterson, Tom	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 47120

Name of Operator: KERR MCGEE OIL & GAS ONSHORE LP

Address: P O BOX 173779

City: DENVER State: CO Zip: 80217-

- ☐ 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
Avant, Paul	(720) 929-6457	Paul.Avant@Anadarko.com	All inspections
,		cogccinspections@anadarko.com	All inspections

Compliance Summary:QtrQtr: SESE Sec: 9 Twp: 1N Range: 67W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
242192	WELL	PR	03/20/1995	OW	123-09983	ROCKY MOUNTAIN FUEL CO C 8	PR
302055	WELL	AL	01/11/2010	LO	123-30209	NRC 16-9	AL
302058	WELL	AL	01/11/2010	LO	123-30211	NRC 37-9	AL
436223	WELL	PR	12/10/2014	OW	123-38996	NRC 1N-4HZ	PR
436224	WELL	PR	10/01/2014	OW	123-38997	NRC 27C-4HZ	PR
436225	WELL	PR	12/10/2014	OW	123-38998	NRC 26C-4HZ	PR

Equipment:**Location Inventory**

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>4</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: <u>3</u>
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location**Signs/Marker:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	ACTION REQUIRED	Battery has incomplete signage and does not reflect all wells associated with the facility (signs are at the wellheads west of the battery)	Install sign to comply with rule 210.	06/01/2015
CONTAINERS	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			
WELLHEAD	SATISFACTORY	x 13		

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?**Fencing/:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	Panel x 13		

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Horizontal Heated Separator	7	SATISFACTORY	Metal bermed. N40.06042 W-104.89079		
Ancillary equipment	5	SATISFACTORY	Temporary 500 bbl trailer mount produced water tanks with earth berms. N40.06123 W-104.89072		
Emission Control Device	4	SATISFACTORY	N40.06062 W-104.89080		
LACT	2	SATISFACTORY	Metal bermed. N40.06096 W-104.89098		
Plunger Lift	6	SATISFACTORY			
Ancillary equipment	12	SATISFACTORY	Automation control service boxes		
Prime Mover	4	SATISFACTORY	Electric compressor motors		
Ancillary equipment	5	SATISFACTORY	Electric service panels		

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Ancillary equipment	2	SATISFACTORY	Facility control houses		
Gas Meter Run	9	SATISFACTORY	1 master meter, 8 producer check meters		
Ancillary equipment	3	SATISFACTORY	Location emergency shut down control panels		
Ancillary equipment	2	SATISFACTORY	Automation towers		
Bird Protectors	10	SATISFACTORY			
Compressor	4	SATISFACTORY	Electric drive compressors. N40.06079 W-104.89108		
Horizontal Separator	1	SATISFACTORY	N40.06085 W-104.89098		
Flow Line	13	SATISFACTORY			
Ancillary equipment	2	SATISFACTORY	Chemical systems		
Vertical Separator	1	SATISFACTORY	N40.06078 W-104.89070		

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	1	300 BBLS	STEEL AST	40.060940,-104.890720

S/A/V:	SATISFACTORY	Comment:	
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Corrective Action:		Corrective Date:	
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Paint

Condition	Adequate
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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	
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Comment	
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Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	200 BBLS	PBV FIBERGLASS	40.060940,-104.890720

S/A/V:	SATISFACTORY	Comment:	210 bbl
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Corrective Action:		Corrective Date:	
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Paint

Condition	Adequate
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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: 436223

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	604c.(2).K. Pit Level Indicators: All tanks (used in lieu of pits) contain pit level monitors with Electronic Drilling Recorders (EDR). KMG uses EDRs with pit level monitor(s) and alarm(s) for production rigs. Basic level gages are used on tanks utilized for the surface rig.
Construction	604c.(2).G. Berm Construction: Kerr-McGee will create tertiary containment by construction of a berm or diversion dike, site grading, or other comparable measures, sufficient to further protect the ditch located 289' southwest of the oil and gas location.
Drilling/Completion Operations	604c.(2).I. BOPE Testing for Drilling Operations: Upon initial rig-up, BOPEs will be tested at a minimum of every 30 days.
General Housekeeping	604c.(2).P. Removal of Surface Trash: A commercial size trash bin for removing debris will be located on site. This bin will be for use by all parties affiliated with the operation.
Final Reclamation	604c.(2).U. Identification of Plugged and Abandoned Wells: Pursuant to rule 319.a.(5)., once the well has been plugged and abandoned, KMG will identify the location of the wellbore with a permanent monument that will detail the well name and date of plugging.

Community Outreach and Notification	<p>An offset property owner within 1,000' of this oil and gas location expressed concerns regarding noise, light, traffic and dust in relation to our operations. KMG commits to the following BMPs to mitigate the concerns.</p> <p>Dust: KMG will apply magnesium chloride to roads to alleviate dust. The offset property owner expressed concern over utilizing water to abate dust due to the mud it can create.</p> <p>Light: The offset property owner's concerns regarding light were primarily focused on lights from truck traffic. KMG offered to place hay bales anywhere feasible along the offset owner's property to block light associated with the project. The residence sits atop a hill, so the hay bales would be most effective placed near the residence or atop the hill. The hay bales will be installed by KMG at request of the offset property owner.</p> <p>Noise: KMG will place hay bales on along the southern, south-western and eastern sides of the pad location to damper noise during drilling and completions. The additional hay bales mentioned in the light BMP above will also help alleviate noise associated with this project, if the offset property owner chooses to have them installed.</p> <p>Traffic: Truck traffic will access the location using WCR 19 and WCR 10. This traffic route was worked out with the offset property owner. Oil will be piped instead of transported by truck from this oil and gas location to greatly reduce the traffic associated with this project. Water will also be piped to further reduce traffic.</p>
Drilling/Completion Operations	604c.(2).H. BOPE: Our rigs at a minimum will have a double ram with blind and pipe ram; and annular preventer.
Planning	<p>604c.(2).S. Access Roads: KMG will utilize a lease access road from Weld County Road 10 for drilling operations and maintenance equipment. The road will be properly constructed and maintained to accommodate for local emergency vehicle access.</p> <p>Magnesium chloride will be used as needed on access roads to further abate dust.</p>
Construction	604c.(2).M. Fencing Requirements: The completed wellsites will be surrounded with a fence and gate with adequate lock to restrict access to authorized personnel only. KMG personnel will monitor the wellsites regularly upon completion of the wells. Authorized representatives and/or KMG personnel shall be on-site during drilling and completion operations.
Final Reclamation	604c.(2).T. Well Site Cleared: The wellsite will be cleared of all non-essential equipment within ninety (90) days after all wells associated with the pad have been plugged and abandoned.
Planning	604c.(2).V. Development From Existing Well Pads: KMG will locate the three proposed horizontal wells on the existing well pad with Location ID # 318806 to reduce the amount of surface disturbance.
Drilling/Completion Operations	604c.(2).L. Drill Stem Tests: No drill stem tests are planned and none will be performed without prior approval from the Director.
Planning	604c.(2).R. Tank Specifications: Two 500 barrel skid-mounted frac tanks will be temporarily placed on-site for use of the pre-spud rig only. One tank will store water and the other will store water based mud.
Traffic control	604c.(2).D. Traffic Plan: If required by the local government, a traffic plan will be coordinated with the local jurisdiction prior to commencement of operations.
Noise mitigation	<p>604c.(2).A. Noise: Sound mitigation barriers (hay bales) will be placed along the southern, southwestern and eastern sides of the pad location to damper noise during drilling and completions to the nearby residences and to Weld County Roads 10 and 19.</p> <p>Sound surveys that have been conducted on each rig type are utilized to anticipate any additional noise mitigation once a drilling rig is determined.</p>
General Housekeeping	604c.(2).O. Loadlines: All loadlines shall be bullplugged or capped.
Material Handling and Spill Prevention	604c.(2).W. Site-Specific Measures: KMG maintains a Stormwater Management Plan that assesses erosion control for every KMG operated location. This well pad will be added to this plan once construction begins. This plan is updated every fourteen (14) days and after any major weather event.
Planning	604c.(2).E. Multiwell Pads: In order to reduce surface impact, this application is for a three-well pad.
Planning	604c.(2).Q. Guy Line Anchors: Should guy line anchors be left buried for future use, they shall be identified by a bright marker greater than four (4) feet high and no more than one (1) foot east of the guy line anchor.

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Drilling/Completion Operations	604c.(2).J. BOPE for Well Servicing Operations: Blowout prevention equipment will be used on any servicing operations associated with this well. Backup stabbing valves will be used during any future servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation using low-pressure air and high-pressure fluid.
Drilling/Completion Operations	604c.(2).B. Closed Loop Drilling System: KMG will use a closed loop or "pitless" system for drilling and fluid management and will not construct a reserve pit.
Material Handling and Spill Prevention	604c.(2).N. Control of Fire Hazards: KMG and its contractors will employ best management practices during the drilling and production of its wells and facilities and will comply with appropriate COGCC rules concerning safety and fire. KMG will ensure that any material that might be deemed a fire hazard will remain no less than twenty-five (25) feet from the wellhead(s), tanks and separator(s).

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: 436223 Type: WELL API Number: 123-38996 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Bradenhead is exposed at surface

CA: _____

CA Date: _____

Facility ID: 436224 Type: WELL API Number: 123-38997 Status: PR Insp. Status: PR

Producing Well

Comment: PR

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BradenHead

Comment: Bradenhead is exposed at surface

CA:

CA Date:

Facility ID: 436225 Type: WELL API Number: 123-38998 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: Bradenhead is exposed at surface

CA:

CA Date:

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): 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: DRY LAND

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

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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? _____ 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: DRY LAND

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
Ditches	Pass					
Gravel	Pass	Gravel	Pass	SI	Pass	

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		Other	Pass			Vehicle tracking pad
S/A/V: SATISFACTOR Corrective Date: _____						
Y _____						
Comment: _____						
CA: _____						
Pits: <input checked="" type="checkbox"/> NO SURFACE INDICATION OF PIT						

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.)