

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:
03/10/2015

Document Number:
671103740

Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 434780 | 434779 | MONTOYA, JOHN | <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 | 720-929-6475 | Paul.Avant@anadarko.com | regulatory |
| Helgeland, Gary | | gary.helgeland@state.co.us | |
| | | COGCCinspections@anadarko.com | All Inspections |

Compliance Summary:

QtrQtr: SESE Sec: 26 Twp: 2N Range: 66W

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|------------------|-------------|-------------------------------------|
| 434775 | WELL | PR | 08/01/2014 | OW | 123-38334 | BADDING 1C-26HZX | PR | <input checked="" type="checkbox"/> |
| 434776 | WELL | PR | 06/14/2014 | OW | 123-38335 | BADDING 37N-35HZ | PR | <input checked="" type="checkbox"/> |
| 434777 | WELL | PR | 06/14/2014 | OW | 123-38336 | BADDING 26N-26HZ | PR | <input checked="" type="checkbox"/> |
| 434778 | WELL | PR | 06/14/2014 | OW | 123-38337 | BADDING 16C-35HZ | PR | <input checked="" type="checkbox"/> |
| 434780 | WELL | PR | 08/01/2014 | OW | 123-38338 | BADDING 16N-35HZ | PR | <input checked="" type="checkbox"/> |

Equipment:

Location Inventory

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: <u>5</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: _____ | Separators: _____ | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: <u>5</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 |
| WELLHEAD | 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? | | | | |

| Fencing/: | | | | |
|------------------|------------------------------|---|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WELLHEAD | SATISFACTORY | ROD IRON FENCES SE CORNERN40.06178 W-104.44217 | | |

| Equipment: | | | | | |
|---------------------|---|------------------------------|---|-------------------|---------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Ancillary equipment | 1 | SATISFACTORY | PARAFFIN SOLVENT PUMP AND STORAGE TANK | | |
| Ancillary equipment | 1 | SATISFACTORY | 500 GALLON HOLDING TANK FOR METHANOL INJECTION | | |
| Plunger Lift | 5 | SATISFACTORY | | | |

| Venting: | |
|-----------------|---------|
| Yes/No | Comment |
| | |

| Flaring: | | | | |
|-----------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| | | | | |

Predrill

Location ID: 434780

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 |
|--|---|
| General Housekeeping | 604c.(2).N. Control of Fire Hazards: KMG will ensure that any material that might be deemed a fire hazard will be will remain no less than twenty-five (25) feet from the wellhead(s) |
| Planning | 604c.(2).S. Access Roads: KMG will utilize the lease access road from WCR 20 for drilling operations and maintenance equipment. The road will be properly constructed and maintained to accommodate for local emergency vehicle access. |
| General Housekeeping | 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. |
| Drilling/Completion Operations | 604c.(2).L. Drill Stem Tests: No drill stem tests will be performed without prior approval from the director. |
| Construction | 604c.(2).E. Multiwell Pads: This application is part of a five-well pad. |
| Drilling/Completion Operations | 604c.(2).B. Closed Loop Drilling System: A closed loop drilling system will be utilized during drilling of the wells on this location. |
| Drilling/Completion Operations | 604c.(2).K. Pit Level Indicators: All mud pits contain pit level monitors with Electronic Drilling Recorders (EDR) KMG uses an Electronic Drilling Recorder (EDR) with pit level monitor(s) and alarm(s) for production rigs. Basic level gages are used on pits utilized for the surface rig. |
| General Housekeeping | 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 |
| Material Handling and Spill Prevention | 604c.(2).F. Leak Detection Plan: Automation technology will be utilized at this facility. This technology includes the use of fluid level monitoring for the tanks and produced water sumps, high-level shut offs, and electronic sensors to monitor the interstitial space of double-walled produced water sumps. All automation is monitored by Kerr-McGee's Integrated Operations Center (IOC,) which is manned 24 hours per day, 7 days per week. |
| Planning | 604c.(2).A. Noise: This pad location is located in a rural rangeland area. The nearest building unit is located over one mile away. |
| 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. |
| Construction | 604c.(2).M. No fencing is necessary for this location. |
| 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. |
| General Housekeeping | 604c.(2).O. Loadlines: All loadlines shall be bullplugged or capped. |
| 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. |
| General Housekeeping | 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. |
| Drilling/Completion Operations | 604c.(2).I. BOPE Testing for Drilling Operations: Upon initial rig-up, BOPE's will be tested at a minimum of every 30-days. |

S/AV: _____ **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: _____

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: 434775 Type: WELL API Number: 123-38334 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 434776 Type: WELL API Number: 123-38335 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 434777 Type: WELL API Number: 123-38336 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 434778 Type: WELL API Number: 123-38337 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 434780 Type: WELL API Number: 123-38338 Status: PR Insp. Status: PR

Producing Well

Comment: PR

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? 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? Pass Segregated soils have been replaced? Pass

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced Pass Recontoured Pass 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Gravel | Pass | Gravel | Pass | | | |

S/A/V: SATISFACTOR Corrective Date: _____

Y

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|---|----------|------------|
| ALL FIVE OF THESE WELLS GO TO THE BADDING BATTERY | montoyaj | 03/10/2015 |