

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



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Inspection Date:
04/22/2015

Document Number:
667100460

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>89095</u>	<u>385889</u>	<u>ROY, CATHERINE</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>77330</u>
Name of Operator:	<u>SG INTERESTS I LTD</u>
Address:	<u>100 WAUGH DR SUITE 400</u>
City:	<u>HOUSTON</u> State: <u>TX</u> Zip: <u>77007</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
Notor, Lori		Lori.R.Notor@conocophillips.com	SW Inspections
Journey, Denise	505-326-9556	Denise.Journey@conocophillips.com	All SW Inspections
Busse, Dollie	505-324-6104	Dollie.L.Busse@conocophillips.com	All SW Inspections

Compliance Summary:

QtrQtr:	<u>SENW</u>	Sec:	<u>31</u>	Twp:	<u>34N</u>	Range:	<u>10W</u>
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
03/24/2015	667100413	AL	AL	ACTION REQUIRED		Fail	No

Inspector Comment:

A signed Form 10 was received by COGCC on April 15, 2015 that formally transferred ownership of this location from SG Interests I Ltd. to ConocoPhillips. This Form is currently being processed. The initial inspection (Inspection No. 667100413) was issued to SG Interests I, Ltd. on March 31, 2015. This inspection contains the elements described in the 3/31/2015 inspection to SG Interests I, Ltd.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
89095	WELL	AL	01/04/2002	LO	067-08199	ARGENTA 34-10 31-1	AL <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
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

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

Corrective Date: _____

Inspector Name: ROY, CATHERINE

Comment:

Corrective Action:

Spills:

Type	Area	Volume	Corrective action	CA Date
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Multiple Spills and Releases?

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 89095

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

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: _____

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: 89095 Type: WELL API Number: 067-08199 Status: AL Insp. Status: AL

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: _____

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: _____

Reminder: _____

Comment: Location has not been reclaimed. Well pad, pit, rig anchor(s), access road are still present. Thousands of musk thistle (*Carduus nutans*) are present. Musk thistle is a State and La Plata County-listed noxious weed. See attached photos.

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built Fail

Access Roads Regraded Fail Contoured Fail Culverts removed Fail

Gravel removed Fail

Location and associated production facilities reclaimed Fail Locations, facilities, roads, recontoured Fail

Compaction alleviation Fail Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present Fail Subsidence _____

Comment: _____

Corrective Action: Submit a plan by May 22, 2015 for reclamation of the project area. See below for details. Date 05/22/2015

Overall Final Reclamation Fail 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

S/A/V: ACTION REQUIRED Corrective Date: 05/22/2015

Comment: An erosional channel approximately 3 to 6 feet wide and 2 to 5 feet deep has formed along the access as a result of a blocked culvert near the entrance to the well pad. Significant erosion is also occurring on the well pad cut slopes and northern diversion.

CA: Submit a plan to control erosion within the project area. Erosion needs to be monitored and controlled at all phases of the reclamation process.

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Location does not meet reclamation regulations. Submit a reclamation plan by May 22, 2015 for the project area. The plan should contain the following (at a minimum): 1. Detailed schedule for reclamation activities 2. Methods for decompaction, gravel and equipment removal, and recontouring 3. Site specific stormwater management plan 4. Site specific weed management plan 5. Mulch type and application rate 6. Seed mix, application rate (in PLS/square foot), and application method 7. Fertilizer and water if needed	RoyC	04/22/2015

Attached Documents

You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
667100461	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3595234

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.)