

**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:

04/24/2015

Document Number:

674002181

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	437925	437930	Carlile, Craig	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 100185Name of Operator: ENCANA OIL & GAS (USA) INCAddress: 370 17TH ST STE 1700City: 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
Inspections, All		cogccinspections@encana.com	All Inspections

Compliance Summary:QtrQtr: NENW Sec: 32 Twp: 2N Range: 64W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
437923	WELL	DG	01/01/2015		123-39772	Newnam 2H-32H C264	DG	<input checked="" type="checkbox"/>
437924	WELL	DG	03/27/2015		123-39773	Newnam 2B-32H C264	DG	<input checked="" type="checkbox"/>
437925	WELL	DG	07/30/2014		123-39774	Newnam 2C-32H C264	SI	<input checked="" type="checkbox"/>
437926	WELL	DG	10/01/2014		123-39775	Newnam 2A-32H C264	DG	<input checked="" type="checkbox"/>
437927	WELL	DG	02/13/2015		123-39776	Newnam 2E-32H C264	DG	<input checked="" type="checkbox"/>
437928	WELL	DG	02/27/2015		123-39777	Newnam 2D-32H C264	DG	<input checked="" type="checkbox"/>
437929	WELL	DG	01/29/2015		123-39778	Newnam 2F-32H C264	DG	<input checked="" type="checkbox"/>
437931	WELL	DG	01/19/2015		123-39779	Newnam 2J-32H C264	DG	<input checked="" type="checkbox"/>
437932	WELL	DG	01/10/2015		123-39780	Newnam 2I-32H C264	DG	<input checked="" type="checkbox"/>
437935	WELL	DG	01/15/2015		123-39781	Newnam 2G-32H C264	DG	<input checked="" type="checkbox"/>
438949	WELL	DG	02/01/2015		123-40228	Newnam 2K-32H C264	DG	<input checked="" type="checkbox"/>
439050	WELL	DG	02/08/2015		123-40288	Newnam 2L-32H C264	DG	<input checked="" type="checkbox"/>

Equipment:**Location Inventory**

Inspector Name: Carlile, Craig

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>12</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>6</u>	Separators: <u>13</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>13</u>	Oil Tanks: <u>24</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
------	------	--------	-------------------	---------

☐ Multiple Spills and Releases?

Venting:

Yes/No	Comment
--------	---------

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
------	------------------------------	---------	-------------------	---------

Predrill

Location ID: 437925

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	notojohn	Operator provided a Facility Layout Diagram via email to replace the diagram submitted with the Form. Jason Schmidt with Encana, described the Water Skid Equipment as a portable unit that will be temporarily used for testing and treating produced water and for frac water supply. The unit will be powered by two approxiamte - 7 hp electric pumps and a small generator. The unit will not be placed closer to the nearest Building Unit than the other permitted Production Facilities.	03/20/2015
Environmen tal	axelsonj	Notify COGCC via Sundry Form 4 when the pilot project is finished.	03/18/2015

S/A/V: _____ Comment: _____

CA: _____ Date: _____

Wildlife BMPs:

BMP Type	Comment
Construction	Encana will install fencing to restrict access to wellheads and equipment.

Construction	Subject pad will have all weather access roads to allow for operator and emergency response.
Construction	At the time of construction, all leasehold roads will be constructed to accommodate local emergency vehicle access requirements, and will be maintained in a reasonable condition.
Dust control	We will apply mag/chloride to the county road in heavily traveled areas. In addition, we will use water trucks as needed.
Material Handling and Spill Prevention	Well effluent containing more than ten (10) barrels per day of condensate or within two (2) hours after first encountering hydrocarbon gas of salable quality will be directed to a combination of sand traps, separators, surge vessels, and tanks as needed to ensure safe separation of sand, hydrocarbon liquids, water, and gas and to ensure salable products are efficiently recovered for sale or conserved and that non-salable products are disposed of in a safe and environmentally responsible manner.
Material Handling and Spill Prevention	<ul style="list-style-type: none"> • Annual hydrostatic test on the oil dump line from the separator to the tank battery. • Annual hydrostatic "static" tests on our oil tanks. • Annual hydrostatic "static" tests on our produced water tank and water dump line from the separator to the produced water tank. • Lease Operator inspections of all equipment not to exceed 48 hours. • Monthly documented inspections (EU). • Annual environmental inspections of all battery and well equipment and pads. • Annual UT inspections of the pressure vessels and input into Encana's RIPL Predictive Integrity Maintenance Program. (HLP separators and fuel gas separators)"
Drilling/Completion Operations	Encana will utilize a closed-loop system for drilling operations at this location.
Pre-Construction	Prior to construction, Encana will write a "Risk Assessment Needs Determination" document to analyze the site for any other potential mitigation measures that might be needed.
General Housekeeping	The well site will be cleared of all non-essential equipment, trash and debris after ninety days of a well P&A.
Noise mitigation	Encana will perform a baseline noise survey prior to any operational activity measuring dBA at a distance 350 feet from the noise source (unless there is an occupied structure closer than that – then measurement will be taken 25 feet from the structure). If low frequency noise is a concern, measurement of dBC will be taken 25 feet from the occupied structure towards the noise source. As necessary, based on the survey, Encana will install temporary sound walls to minimize noise and light impacts during drilling and completions and will install permanent noise mitigation at the facility location as necessary to meet all COGCC regulations.
Drilling/Completion Operations	Adequate blowout prevention equipment will be used on all well servicing operations.
General Housekeeping	Any material not in use that might constitute a fire hazard will be removed a minimum of twenty-five (25) feet from the wellhead, tanks and separator. Any electrical equipment installations inside the bermed area will comply with API RP 500 classifications and comply with the current national electrical code as adopted by the State of Colorado.
Planning	Encana will identify plugged and abandoned wellbores according to Rule 319.a.(5). including the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). Encana will also inscribe or imbed the well number and date of plugging upon the permanent monument.
Drilling/Completion Operations	All newly installed or replaced crude oil and condensate storage tanks will be designed, constructed, and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). Encana will maintain written records verifying proper design, construction, and maintenance, and will make these records available for inspection by the Director. In addition, onsite inspections are conducted internally to insure guidelines are met.

Construction	Encana utilizes 24" tall corrugated galvanized metal berm walls with a capacity in excess of 150% of the largest tank contained within the wall. In addition, Encana best practices mandates the use of impervious liners that extends under each storage tank and up the walls, permanently affixed to the top of the metal berm wall. Protrusions of piping that come through the liner include a fully sealed "boot" to prevent leakage.
Drilling/Completion Operations	Guy line anchors in the DJ Basin are not installed. Encana will use an engineered base beam that we guy wire anchor the derricks to.
General Housekeeping	All surface trash, debris, scrap or discarded material connected with the operations of the property shall be removed from the premises or disposed of in a legal manner.
Emissions mitigation	Flow lines, separators, and sand traps capable of supporting green completions as described in Rule 805 will be installed on subject location at which commercial quantities of gas are reasonably expected to be produced based on existing adjacent wells within 1 mile. Temporary flowback flaring and oxidizing equipment will include: adequately sized equipment to handle 1.5 times the largest flowback volume of gas experienced in a ten mile radius. If there is overrun, Encana will shut in the well versus freely venting.
Traffic control	Encana will obtain the necessary access and overweight permits through Weld County for this location.
Drilling/Completion Operations	Encana will not utilize pits.
Noise mitigation	The subject location will be constructed to allow potential future noise mitigation installation without disturbance.
Drilling/Completion Operations	Encana will employ a rig without kelly that has double ram with blind and pipe ram and an annular preventer. At least one person at the well site during drilling operations will have Mineral Management certification or Director approved training for blowout prevention.
Drilling/Completion Operations	Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections will be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing will be conducted and the documented results will be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing will be conducted on a daily basis when practicable.
Construction	The pad will be constructed in such a manner that noise mitigation may be installed and removed without disturbing the site or landscaping.
Drilling/Completion Operations	Backup stabbing valves will be used on well servicing operations during reverse circulation. Valves will be pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.

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:

Inspector Name: Carlile, Craig

Landman Name: _____	Phone Number: _____
Date Onsite Request Received: _____	Date of Rule 306 Consultation: _____
Request LGD Attendance: _____	
<u>LGD Contact Information:</u>	
Name: _____	Phone Number: _____ Agreed to Attend: _____
<u>Summary of Landowner Issues:</u>	
<u>Summary of Operator Response to Landowner Issues:</u>	
<u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u>	

Facility

Facility ID: 437923 Type: WELL API Number: 123-39772 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

Facility ID: 437924 Type: WELL API Number: 123-39773 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

Facility ID: 437925 Type: WELL API Number: 123-39774 Status: DG Insp. Status: SI

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: Well has snubbing unit preparing the well for coiled tubing drill out.

Facility ID: 437926 Type: WELL API Number: 123-39775 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

Facility ID: 437927 Type: WELL API Number: 123-39776 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

Facility ID: 437928 Type: WELL API Number: 123-39777 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

Facility ID: 437929 Type: WELL API Number: 123-39778 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

Facility ID: 437931 Type: WELL API Number: 123-39779 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: CA Date: _____
CA: _____
Comment: Coiled tubing unit is in the process of drilling out after completion of fracking process.

Facility ID: 437932 Type: WELL API Number: 123-39780 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

Facility ID: 437935 Type: WELL API Number: 123-39781 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

Facility ID: 438949 Type: WELL API Number: 123-40228 Status: DG Insp. Status: DG

Inspector Name: Carlile, Craig

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

Facility ID: 439050 Type: WELL API Number: 123-40288 Status: DG Insp. Status: DG

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____
S/A/V: SATISFACTORY CA Date: _____
CA: _____
Comment: _____

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): _____

Comment: _____
Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

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

Land Use: IMPROVED PASTURE

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 _____

Inspector Name: Carlile, Craig

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: IMPROVED PASTURE _____

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

Inspector Name: Carlile, Craig

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Company representative on location: Gary Gardiner Location has been subject of earliar sound complaints. Fracking operations have been competed and the coiled tubing and snubbing operations are much quieter operations. Flow back is anticipated between 10 to 14 days depending upon construction complition of the battery location to the west of the wells.	carlilec	04/24/2015