

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:
05/20/2015

Document Number:
667400655

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|----------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>333083</u> | <u>333083</u> | <u>ALLISON, RICK</u> | <input type="checkbox"/> | |

Operator Information:

| | |
|-----------------------|-------------------------------------|
| OGCC Operator Number: | <u>10312</u> |
| Name of Operator: | <u>PROSPECT ENERGY LLC</u> |
| Address: | <u>500 DALLAS STREET SUITE 1800</u> |
| City: | <u>HOUSTON TX</u> Zip: <u>77002</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 |
|--------------|-------------------|------------------------|------------|
| Griggs, Mary | 303-973-3228 x233 | mgriggs@bdminerals.com | Regulatory |
| Dene Martin | | dmartin@memorialrd.com | |

Compliance Summary:

QtrQtr: NWNW Sec: 30 Twp: 8N Range: 68W

Inspector Comment:

COGCC Environmental Staff Inspection of Spill Facility ID #441826; See spill section of this report for corrective actions

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------------------|--------|-------------|------------|-----------|---------------------|-------------|-------------------------------------|
| 217066 | WELL | PR | 10/01/2011 | OW | 069-06253 | MSSU 30-8 | EI | <input checked="" type="checkbox"/> |
| 217067 | WELL | PR | 11/13/2012 | OW | 069-06254 | Hearthfire 1 | EI | <input checked="" type="checkbox"/> |
| 441826 | SPILL OR RELEASE | AC | | | - | SPILL/RELEASE POINT | EI | <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: _____

Comment: _____

Corrective Action: _____

| | | | | |
|--|------|--------|-------------------|---------|
| Spills: | | | | |
| Type | Area | Volume | Corrective action | CA Date |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

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

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

Predrill

Location ID: 333083

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: 217066 | Type: WELL | API Number: 069-06253 | Status: PR | Insp. Status: EI |
| Facility ID: 217067 | Type: WELL | API Number: 069-06254 | Status: PR | Insp. Status: EI |
| Facility ID: 441826 | Type: SPILL OR | API Number: - | Status: AC | Insp. Status: EI |

Environmental

Spills/Releases:

Type of Spill: OIL Description: Estimated Spill Volume:

Comment: Corrective action date refers to the Supplemental Report required by Rule 906.b. Additional Supplemental Reports may be filed after that date as additional documentation becomes available. Production line has been isolated and release has been stopped. Excavation is open and will progress weather dependent. Additional impact to soil needs removed or remediated. Upon removal of impacted soil collect a minimum of 1 discrete sidewall sample from each wall of the excavation and from the floor of the excavation (a minimum of 5 samples will be collected). Analyze soil samples for TPH-GRO,TPH-DRO and BTEX. If ground water is encountered, collect a sample of ground water from the excavation and analyze the sample for BTEX (per Rule 910.(4)). If ground water is impacted a Form 27 Site Investigation and Remediation Workplan will be required per Rule 909.c.

Corrective Action: Submit Form 19 Supplemental Report per Rule 906.b. Additional actions outlined above Date: 05/26/2015

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:

Comment:

1003a. Debris removed? CM CA Date

Waste Material Onsite? CM CA Date

Unused or unneeded equipment onsite? CM CA Date

Pit, cellars, rat holes and other bores closed? CM CA Date

Guy line anchors removed? CM CA Date

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: _____

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: ALLISON, RICK

S/A/V: _____ Corrective Date: _____
Comment: _____
CA: _____

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|--------------------------|---|
| 667400656 | Excavation looking south | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3612016 |
| 667400658 | Excavation looking east | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3612017 |

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.)