

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:
05/27/2015

Document Number:
668703181

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	441528	441528	HELGELAND, GARY	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10261</u>
Name of Operator:	<u>BAYSWATER EXPLORATION AND PRODUCTION LLC</u>
Address:	<u>730 17TH ST STE 610</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80202</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
Pittman, David	303-204-1481	ddp.com@msn.com	All Inspections
BLYTH, TOM	303-893-2503	Tblyth@bayswater.us	InSpections

Compliance Summary:

QtrQtr: NENE Sec: 25 Twp: 7N Range: 67W

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
441520	WELL	XX	04/16/2015		123-41413	Walton G-25HN	XX	<input checked="" type="checkbox"/>
441521	WELL	XX	04/16/2015		123-41414	Walton F-25HN	XX	<input checked="" type="checkbox"/>
441522	WELL	XX	04/16/2015		123-41415	Walton H-25HC	XX	<input checked="" type="checkbox"/>
441523	WELL	XX	04/16/2015		123-41416	Walton C-25HN	XX	<input checked="" type="checkbox"/>
441524	WELL	XX	04/16/2015		123-41417	Walton J-25HN	XX	<input checked="" type="checkbox"/>
441525	WELL	XX	04/16/2015		123-41418	Walton B-25HC	XX	<input checked="" type="checkbox"/>
441526	WELL	XX	04/16/2015		123-41419	Walton D-25HN	XX	<input checked="" type="checkbox"/>
441527	WELL	XX	04/16/2015		123-41420	Walton L-25HN	XX	<input checked="" type="checkbox"/>
441529	WELL	XX	04/16/2015		123-41421	Walton I-25HN	XX	<input checked="" type="checkbox"/>
441530	WELL	XX	04/16/2015		123-41422	Walton E-25HC	XX	<input checked="" type="checkbox"/>
441531	WELL	XX	04/16/2015		123-41423	Walton K-25HC	XX	<input checked="" type="checkbox"/>
441532	WELL	XX	04/16/2015		123-41424	Walton A-25HN	XX	<input type="checkbox"/>

Equipment:

Location Inventory

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Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>12</u>	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/AV): _____ 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: 441528

Site Preparation:
 Lease Road Adeq.: SATISFACTORY Pads: _____ Soil Stockpile: ACTION REQUIRED

S/AV: ACTION
 Corrective Action: Create salvaged soil pile in accordance with best management practices to maintain viability of topsoil. Date: 06/10/2015 CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	andrewsd	The Operator shall prepare and submit a Land Application Plan and Checklist via a Form 4 Sundry Notice for approval prior to drilling any oil and gas wells at this location.	04/02/2015
OGLA	andrewsd	Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42.	04/02/2015

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

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Material Handling and Spill Prevention	<p>Leak Detention Plan: Pumper will visit the location daily and visually inspect all wellheads and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR 112.</p> <p>Control of fire hazards: All material that is considered a fire hazard shall be a minimum of 25' from the wellhead. Electrical equipment shall comply with API IRP 500 and will comply with the current national electrical code.</p> <p>Operator shall comply with state and federal laws, rules and regulations governing the presence of any petroleum products, toxic or hazardous chemicals or wastes on the Subject lands.</p>
Interim Reclamation	Operator shall be responsible for segregating the topsoil, backfilling, repacking, reseeding, and recontouring the surface of any disturbed area so as not to interfere with Owner's operations and shall reclaim such area to be returned to pre-existing conditions as best as possible with control of all weeds.
Traffic control	Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. Traffic will be routed to minimize local interruption.
Emissions mitigation	Green Completions - Emission Control System: Test separators and associated flow lines and sand traps shall be installed to accommodate green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flowback gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for at least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flowback within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustions where non-combustible gases are present.
Planning	<p>Multi-well Pads are located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas and complies with the wishes of the surface owner.</p> <p>A meeting with the surface owner will determine the fencing plan.</p>
Dust control	Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high- wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers, or automation of wells to reduce truck traffic may also be required if technologically feasible and economically reasonable to minimize fugitive dust emissions.
Pre-Construction	<p>Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.</p> <p>Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)</p>
Final Reclamation	Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. The Operator shall restore the surface of the Land affected by such terminated operations as near as possible to the previous state that existed prior to operations.
Odor mitigation	<p>Equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare.</p> <p>Oil and gas operations shall be in compliance with the Department of Public Health and Environment, Air Quality Control Commission, Regulation No. 2 Odor Emission, 5 C.C.R. 1001-4, Regulation No. 3 (5 C.C.R. 1001-5), and Regulation No. 7 Section XVII.B.1 (a-c) and Section XII.</p>
Construction	Guy line anchors: All guy line anchors shall be brightly marked pursuant to Rule 604.c.(2)Q.

Drilling/Completion Operations	<p>A closed –loop system will be used for drilling operations.</p> <p>Blowout Prevention Equipment (“BOPE”): A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.</p> <p>Lighting: Site lighting shall be directed downward and inward and shielded so as to avoid glare on public roads and Building Units within one thousand (1000) feet where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.</p> <p>Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.</p> <p>Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.</p>
General Housekeeping	<p>Visual Impacts: Equipment, regardless of construction date, which are observable from any public highway shall be painted with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to, but slightly darker than, the surrounding landscape.</p> <p>Maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed immediately. Operator shall keep the Surface Use Area as well as any roads or other areas used by Operator safe and in good order, including control of noxious weeds litter and debris.</p>
Noise mitigation	<p>A baseline sound study will be obtained prior to drilling operations and recommendations from such study will be implemented to reduce the noise impact on the surrounding neighbors. Sound walls will be installed where necessary to stay under the noise compliance levels allowed by the state.</p>

S/A/V: _____ Comment: _____

CA: _____ Date: _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
DITCHES	No		

S/A/V: ACTION REQUIRED

Corrective Action: **Create stormwater BMPs** Date: 06/10/2015

Comments: Erosion BMPs: **No berms or ditches in place.**
 Other BMPs: _____

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: <u>441520</u>	Type: <u>WELL</u>	API Number: <u>123-41413</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441521</u>	Type: <u>WELL</u>	API Number: <u>123-41414</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441522</u>	Type: <u>WELL</u>	API Number: <u>123-41415</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441523</u>	Type: <u>WELL</u>	API Number: <u>123-41416</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441524</u>	Type: <u>WELL</u>	API Number: <u>123-41417</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441525</u>	Type: <u>WELL</u>	API Number: <u>123-41418</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441526</u>	Type: <u>WELL</u>	API Number: <u>123-41419</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441527</u>	Type: <u>WELL</u>	API Number: <u>123-41420</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441529</u>	Type: <u>WELL</u>	API Number: <u>123-41421</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441530</u>	Type: <u>WELL</u>	API Number: <u>123-41422</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>
Facility ID: <u>441531</u>	Type: <u>WELL</u>	API Number: <u>123-41423</u>	Status: <u>XX</u>	Insp. Status: <u>XX</u>

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: RANGELAND

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: 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

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
668703183	Poor soil pile, No BMPs	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3616749

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.)