

**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:
05/27/2015Document Number:
673502412

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 217881 | 307599 | COSTA, RYAN | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 10084Name of Operator: PIONEER NATURAL RESOURCES USA INCAddress: 1401 17TH ST STE 1200City: 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 |
|---------------|----------------|----------------------|-----------------|
| Hiss, Duane | (719) 845-4394 | duane.hiss@pxd.com | All Inspections |
| Castro, David | 303-675-2666 | david.castro@pxd.com | All Inspections |
| Julie Webb | | Julie.Webb@pxd.com | |

Compliance Summary:QtrQtr: NENE Sec: 20 Twp: 34S Range: 66W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 09/15/2014 | 668002562 | PR | PR | SATISFACTORY | P | | No |
| 03/23/2011 | 200304477 | ES | PR | SATISFACTORY | | | No |
| 02/15/2011 | 200296637 | PR | PR | SATISFACTORY | | | No |
| 01/07/2008 | 200124528 | PR | PR | SATISFACTORY | | | No |
| 02/12/2005 | 200067081 | PR | PR | SATISFACTORY | | Pass | No |
| 08/22/2002 | 200031376 | PR | PR | SATISFACTORY | | Pass | No |
| 11/20/2001 | 200021781 | PR | PR | SATISFACTORY | | Pass | No |
| 07/21/2000 | 200011713 | PR | PR | SATISFACTORY | I | Pass | No |

Inspector Comment:

This is an interim reclamation inspection. Any corrective actions from previous inspections that have not been addressed are still applicable.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|----------------------|-------------|-------------------------------------|
| 217881 | WELL | PR | 10/23/2000 | GW | 071-06660 | LORENCITO 1-20-34-66 | PR | <input checked="" type="checkbox"/> |
| 258380 | PIT | AC | 11/01/2000 | - | - | LORENCITO 1-20-34-66 | AC | <input checked="" type="checkbox"/> |
| 261273 | PIT | AC | 09/21/2001 | - | - | LORENCITO 1-20 | AC | <input checked="" type="checkbox"/> |

Equipment:Location Inventory

Inspector Name: COSTA, RYAN

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| 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

Lease Road:

| Type | Satisfactory/Action Required | comment | Corrective Action | Date |
|--------|------------------------------|---------|-------------------|------|
| Access | SATISFACTORY | | | |

Signs/Marker:

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

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|-------|------------------------------|--|---------------------------|------------|
| TRASH | ACTION REQUIRED | There was silt fence debris found about 200 ft. to the east of the location. | Remove silt fence debris. | 06/15/2015 |

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: 217881

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:****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:

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: 217881 Type: WELL API Number: 071-06660 Status: PR Insp. Status: PR

Facility ID: 258380 Type: PIT API Number: - Status: AC Insp. Status: AC

Facility ID: 261273 Type: PIT API Number: - Status: AC Insp. Status: AC

Environmental**Spills/Releases:**

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Inspector Name: COSTA, RYAN

| | | | |
|---|---|--|---------------------------------------|
| Corrective Action: _____ | | Date: _____ | |
| Reportable: _____ | GPS: Lat _____ | Long _____ | |
| Proximity to Surface Water: _____ | | Depth to Ground Water: _____ | |
| Water Well: | | | |
| 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: <div style="border: 1px solid red; padding: 5px; color: red;">The south side of the location had recently been seeded/mulched. Did not see much new growth emerging yet. There may possibly be soil issues preventing vegetation establishment. The east side of the location and the base of the pad does not have adequate vegetation to stabilize the soil. As a result erosion rills and channels have formed which is transporting sediment off site. SEE ATTACHED PHOTOS</div> | | | |
| 1003a. | Debris removed? _____ CM _____ | | |
| | CA _____ | CA Date _____ | |
| | Waste Material Onsite? <u>Pass</u> CM _____ | | |
| | CA _____ | CA Date _____ | |
| | Unused or unneeded equipment onsite? <u>Pass</u> 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? <u>Pass</u> CM _____ | | |
| | CA _____ | CA Date _____ | |
| 1003b. | Area no longer in use? <u>Pass</u> | Production areas stabilized ? <u>Pass</u> | |
| 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? <u>In</u> | | |
| | Production areas have been stabilized? <u>Pass</u> | Segregated soils have been replaced? _____ | |
| RESTORATION AND REVEGETATION | | | |
| <u>Cropland</u> | | | |
| | Top soil replaced _____ | Recontoured _____ | Perennial forage re-established _____ |

Inspector Name: COSTA, RYAN

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____ In _____

1003 f. Weeds Noxious weeds? _____ P _____

Comment: Additional seeding is needed at the east side of the pad to establish vegetation and stabilize the soil. Soil testing and amendments may be needed to help establish vegetation.

Overall Interim Reclamation In Process

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|--------------|
| Sediment Traps | Pass | Gravel | Pass | | | |
| Seeding | | Ditches | | | | SEE COMMENTS |

S/A/V: ACTION REQUIRED Corrective Date: 06/15/2015

Comment: The east side of the pad does not have adequate vegetation to stabilize the slope and prevent erosion. There is erosion rills and channels that have formed off of the east side of the pad transporting sediment off the location. SEE ATTACHED PHOTOS
The diversion ditch near the offsite pit#258380 has become incised from stormwater erosion. Stormwater from the access road diversion ditch and pit disturbance area is entering into the nearby drainage causing increased erosion. SEE ATTACHED PHOTOS

CA: Install BMP's to prevent sediment erosion off site.

Pits: ☐ NO SURFACE INDICATION OF PIT

Pit Type: _____ Lined: NO Pit ID: 258380 Lat: 37.075110 Long: -104.796690**Lining:**

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:Fencing Type: None Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: NO 2+ feet Freeboard: _____Pit (S/A/V): _____ Comment: **The pit has three unstable verticle sides. SEE ATTACHED PHOTOS and COGCC COMMENTS**

Corrective Action: _____ Date: _____

Pit Type: Produced Water Lined: NO Pit ID: 261273 Lat: 37.073678 Long: -104.795868**Lining:**

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:Fencing Type: None Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: NO 2+ feet Freeboard: _____Pit (S/A/V): SATISFACTOR Comment: _____

Corrective Action: _____ Date: _____

| Permit: | Facility ID | Permit Num | Expiration Date |
|---------|-------------|------------|-----------------|
| | 261273 | 851600 | |
| | 258380 | 881558 | |
| | 258380 | 881558 | |

| Monitoring: | Monitoring Type | Comment |
|-------------|-----------------|---------|
| | Chain | |

COGCC Comments

| Comment | User | Date |
|--|--------|------------|
| The off-site pit #258380 had a form 4 notice (400709519) submitted for a variance to rule 1004.b. The form 4 has been returned to draft for additional information required. | CostaR | 05/29/2015 |
| It was noticed at the time of the inspection that the off-site pit #258380 had very little water from significant recent precipitation events. The pit which is approximatly 15-20ft. deep has three unstable verticle sides. There is no perimeter protection to prevent animals, people, or vehicles from falling into the pit. The disturbance area around the pit has minimal vegetation cover and is mostly bare ground. Stormwater from the access road diversion ditch and pit disturbance area is entering into the nearby drainage causing increased erosion. A plastic pipe has become exposed at the beginning of the drainage where erosion has occurred. There is a green metal box adjacent to the pit where the exposed plastic pipe may come from. SEE ATTACHED PHOTOS | CostaR | 05/29/2015 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---------------------------------|---|
| 673502420 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3617237 |
| 673502421 | Inspection Photos pit#258380 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3617238 |

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.)