

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:
06/18/2015

Document Number:
667100651

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|-----------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>214148</u> | <u>325156</u> | <u>ROY, CATHERINE</u> | <input type="checkbox"/> | |

Operator Information:

| | |
|-----------------------|---|
| OGCC Operator Number: | <u>26625</u> |
| Name of Operator: | <u>ELM RIDGE EXPLORATION COMPANY LLC</u> |
| Address: | <u>12225 GREENVILLE AVE STE 950</u> |
| City: | <u>DALLAS</u> State: <u>TX</u> Zip: <u>75243-</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 |
|-----------------|-------|-------------------------|--------------------|
| Lindeman, Terry | | tlindeman@elmridge.net | |
| Archuleta, Amy | | aarchuleta@elmridge.net | All SW Inspections |

Compliance Summary:

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 02/11/2015 | 667700555 | PR | PR | ACTION REQUIRED | | | No |
| 02/04/2015 | 667100358 | PR | PR | ACTION REQUIRED | F | | No |
| 02/04/2015 | 674900306 | PR | EI | ACTION REQUIRED | | | No |
| 10/21/2014 | 667100129 | PR | PR | ACTION REQUIRED | I | | No |
| 08/16/2013 | 663401112 | PR | PR | SATISFACTORY | I | | No |
| 05/05/2009 | 200209605 | PR | PR | SATISFACTORY | | | No |
| 07/06/2005 | 200076875 | PR | PR | SATISFACTORY | | Pass | No |
| 04/21/2005 | 200076298 | BH | PR | ACTION REQUIRED | | Fail | Yes |
| 02/10/2000 | 200004379 | PR | PR | SATISFACTORY | | Pass | No |
| 05/20/1997 | 500146832 | BH | PR | | | Pass | No |
| 03/21/1996 | 500146831 | PR | PR | | | | Yes |
| 03/21/1996 | 500146834 | PR | PR | | | | Yes |
| 08/17/1994 | 500146830 | PR | PR | | | Pass | No |
| 08/12/1994 | 500146829 | PR | PR | | | Pass | No |
| 08/12/1994 | 500146833 | PR | PR | | | Pass | No |

Inspector Comment:

This is the third "Action Required" inspection and second followup inspection for Inspection Numbers 667100129 and 667100358 conducted on October 21, 2014 and February 4, 2015, respectively. Corrective actions related to stormwater erosion within the project area have not been addressed. See comments below.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-------------------|--|
| 115752 | PIT | | 09/23/1999 | | - | FORD OLSON UNIT 1 | <input type="checkbox"/> |
| 214148 | WELL | PR | 05/19/2003 | GW | 067-05464 | FORD-OLSON UNIT 1 | PR <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: 214148

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: 214148 Type: WELL API Number: 067-05464 Status: PR Insp. Status: PR

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: It appears that some grass is becoming established in the area where the pipeline subsidence was repaired. However, it is unclear whether this area was seeded as requested in the February 4, 2015 inspection. Please contact Southwest Reclamation Specialist, C. Roy to communicate if/when seeding in this area was completed.

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: _____

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: ACTION REQUIRED Corrective Date: 07/10/2015

Comment: See Comments Below.

CA: Stormwater BMPs need to be applied where concentrated stormwater flows enter or exit the project area. Gullies in the fill slopes need to be stabilized and flows exiting the project area de-energized and sediment filtered. The eastern cut-slope needs additional stabilization measures such as revegetation or erosion control matting.

Pits: NO SURFACE INDICATION OF PIT

| COGCC Comments | | |
|---|------|------------|
| Comment | User | Date |
| Erosional channels in the northern, eastern, and western portions of the project area are continuing to erode the project area. Concentrated stormwater from the southwestern portion of the well pad flows toward a pond southwest of the project area. An approximately 5-foot-wide-and-5-foot-deep erosional channel has formed in the northwestern corner of the well pad where it appears the silt trap overflows and erodes fill slopes. The eastern cut-slope does not appear stabilized. The straw wattle on the access road is filled with sediment and does not appear to be a sufficient BMP for this location. See attached photos. | RoyC | 06/25/2015 |
| Location does not meet stormwater regulations. Stormwater erosion needs to be repaired by July 10, 2015. | | |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 667100652 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3632675 |

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.)