Inspector Name: GRANAHAN, KYLE

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: 07/31/2015

Document Number: 675101684

Overall Inspection: SATISFACTORY

## FIELD INSPECTION FORM

| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
|---|---|---|---|---|---|
| | 428754 | 428755 | GRANAHAN, KYLE | ☐ | |

**Operator Information:**

OGCC Operator Number: 10402

Name of Operator: MATRIX OIL CORPORATION

Address: 104 W ANAPAMU STREET #C

City: SANTA BARBARA State: CA Zip: 93101

- ☐ 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 |
|---|---|---|---|
| Crossland, Joan | 805-884-9000 ext4 | jcrossland@matrixoil.com | all inspections |

**Compliance Summary:**

QtrQtr: TR47A Sec: 11 Twp: 1N Range: 94W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|---|---|---|---|---|---|---|---|
| 11/19/2014 | 675100635 | PR | PR | SATISFACTORY | | | No |
| 07/21/2014 | 675100218 | PR | PR | ACTION REQUIRED | | | No |

**Inspector Comment:**

**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|---|---|---|---|---|---|---|---|---|
| 428754 | WELL | PR | 04/30/2013 | OW | 103-11920 | Sheridan 11-2 | PR | ☒ |

**Equipment:** Location Inventory

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Special Purpose Pits: | | Drilling Pits: | 1 | Wells: | 1 | Production Pits: | |
| Condensate Tanks: | | Water Tanks: | 1 | Separators: | 1 | Electric Motors: | 1 |
| Gas or Diesel Mortors: | | Cavity Pumps: | | LACT Unit: | | Pump Jacks: | 1 |
| Electric Generators: | | Gas Pipeline: | | Oil Pipeline: | | Water Pipeline: | |
| Gas Compressors: | | VOC Combustor: | | Oil Tanks: | 2 | Dehydrator Units: | |
| Multi-Well Pits: | | Pigging Station: | | Flare: | | Fuel Tanks: | |

## Location

**Signs/Marker:**

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

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| | | | | |
|---|---|---|---|---|
| BATTERY | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |

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

Comment: 970-216-0299

Corrective Action:

**Spills:**

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

☐ Multilple Spills and Releases?

**Fencing/:**

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

**Equipment:**

| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|---|---|---|---|---|---|
| Pump Jack | 1 | SATISFACTORY | | | |
| Deadman # & Marked | 4 | SATISFACTORY | | | |

**Facilities:** ☐ New Tank  Tank ID:

| Contents | # | Capacity | Type | SE GPS |
|---|---|---|---|---|
| CRUDE OIL | 1 | 400 BBLS | STEEL AST | , |

S/A/V: SATISFACTORY  Comment:

Corrective Action:  Corrective Date:

Paint

| Condition | Adequate |
|---|---|

Other (Content)

Other (Capacity)

Other (Type)

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|---|---|---|---|---|
| Earth | Adequate | Walls Sufficent | Base Sufficient | Adequate |

Corrective Action  Corrective Date

Comment

**Facilities:** ☐ New Tank  Tank ID:

| Contents | # | Capacity | Type | SE GPS |
|---|---|---|---|---|
| PRODUCED WATER | 1 | 400 BBLS | STEEL AST | , |

S/A/V: SATISFACTORY  Comment: Same containment as crude tanks.

Corrective Action:  Corrective Date:

Paint

| Condition | Adequate |
|---|---|

Other (Content)

Other (Capacity)

Other (Type)

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|---|---|---|---|---|
| | | | | |

| Corrective Action | | Corrective Date | |
|---|---|---|---|
| Comment | | | |

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

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

**Predrill**

Location ID: 428754

**Site Preparation:**

Lease Road Adeq.: Pads: Soil Stockpile:

**S/A/V:**

Corrective Action: Date: CDP Num.:

**Form 2A COAs:**

| Group | User | Comment | Date |
|---|---|---|---|
| OGLA | kubeczkod | SITE SPECIFIC COAs:<br><br>A closed loop system must be implemented during drilling (which operator has indicated on the Form 2A); or, if a drilling pit is constructed, it must be lined. All cuttings generated during drilling with oil based muds or high chloride/TDS mud must be kept in the lined drilling pit, or placed either in containers or on a lined/bermed portion of the well pad; prior to offsite disposal. The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts.<br><br>Operator must ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.<br><br>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface or buried pipelines.<br><br>Location is in a sensitive area due to very shallow groundwater; therefore, either a closed loop system must be used (which operator has indicated on the Form 2A), or the drilling pit must be lined and constructed above the top of groundwater.<br><br>If the wells are to be hydraulically stimulated, flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker | 04/05/2012 |

| | | | |
|---|---|---|---|
| | | trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.<br><br>Operator will implement sufficient public notification of proposed oil and gas activities, including: (1) provide 7-day notice and community awareness to the neighborhood regarding schedule and activities, include local emergency response agencies (Fire/Police); (2) posting schedule changes at a location convenient to residents, as well as notifying local emergency response agencies (Fire/Police) of schedule changes; and (3) notify all homes within two (2) blocks on either side of the proposed access road through the Town of Meeker and local emergency responders (Fire/Police) 7 days prior to mobilization in, rig up (MIRU).<br><br>Operator will review local governmental requirements for access from public roads (which operator has already done). In addition, the following traffic requirements will apply: (1) a traffic control plan will be in place; (2) additional signage on major and/or local roads will be employed to warn the public of increased truck traffic; (3) all oil and gas related construction, drilling, and operational traffic shall access the location from a single point (as indicated on the revised Access Road Map); (4) designate haul routes to avoid school zones (as indicated on the revised Access Road Map); (5) schedule work to avoid peak traffic flow; (6) schedule heavy equipment movement and drilling/completion operations traffic to avoid local school and school bus operation hours (for example, high student traffic times are 7:00 am to 9:00 am and 2:00 pm to 6:00 pm); (7) when using residential/neighborhood roads, reduced speed limits should be established; and (8) Matrix Oil Corporation will contract with licensed personnel and give priority to contractors who employ safe driving training/practices.<br><br>Fugitive dust emissions from the graveled portion of the County maintained access road from the edge of paving to the well pad access entrance will be controlled during drilling and completion operations. Such practices shall include but are not limited to the use of speed restrictions and dust suppression using water or other materials.<br><br>Surface water samples from Sulphur Creek at two locations, one upstream and one downstream of the proposed well pad location, will be collected (if water if present) prior to pad construction and after the well has been completed, to evaluate potential impacts from drilling/completion operations. At a minimum, the surface water samples will be analyze for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/DRO. The data will be sent electronically to the COGCC and Rio Blanco County. | |

**S/A/V:** SATISFACTORY **Comment:** COA's met at time of inspection

**CA:** **Date:**

**Wildlife BMPs:**

| BMP Type | Comment |
|---|---|
| Wildlife | 1. Where oil and gas activities must occur in mule deer critical winter range, conduct these activities outside the time period from December 1 through April 15 if all possible.<br><br>2. Muffle sound from compressors, pump jacks or other motors necessary to run operations at the site.(If mufflers are used, point upward to dissipate sound and vibration.)<br><br>3. Construct a 4:1 escape ramp for the freshwater pit with an appropriate surface to give the ramp traction. |

| | |
|---|---|
| Storm Water/Erosion Control | Matrix Oil Corporation<br>Sheridan #11-2<br>Lot 26 Section 11-T1N-R94W<br>Rio Blanco Co., Colorado<br><br>Best Management Practices Summary<br><br>Stormwater Management Plans (SWMP) will be in place to address construction, drilling and operations associated with Oil & Gas development throughout the state of Colorado in accordance with Colorado Department of Public Health and Environment (CDPHE). BMP's will be constructed around the perimeter of the site prior to, or at the beginning of construction. The BMP's used will vary according to the location, and will remain in place until the pad reaches final reclamation.<br><br>Spill Prevention Control and Counter measures (SPCC) plans will be in place to address any possible spills associated with Oil & Gas operations throughout the state of Colorado in accordance with CFR12.<br><br>Housekeeping will consist of neat and orderly storage of materials and fluids. Wastes will be temporarily stored in sealed containers and regularly collected and disposed of at offsite, suitable facilities. If spills occur prompt cleanup will be required to minimize any commingling of waste materials with stormwater runoff. Routine maintenance will be limited to fueling and lubrication of equipment. Drip pans will be used during routine fueling and maintenance to contain spills or leaks. Any waste product from maintenance will be containerized and transported offsite for disposal or recycling. There will be no major equipment overhauls conducted onsite. Equipment will be transported offsite for major overhauls. Cleanup will consist of patrolling the roadways, access areas, and other work areas to pick up trash, scrap debris, other discarded materials, and any contaminated soil. These materials will be disposed of properly.<br><br>The above BMP's will be provided to all Matrix Oil Corporation, contractors and will be posted in the company trailer located on location during drilling, completion and production operations. |

**S/A/V:** SATISFACTORY **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:

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## Facility

Facility ID: 428754 Type: WELL API Number: 103-11920 Status: PR Insp. Status: PR

### Producing Well

Comment: Well PR at time of inspection

## 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: RANGELAND

Comment:

1003a. Debris removed? Pass CM

CA CA Date

Waste Material Onsite? Pass CM

CA CA Date

Unused or unneeded equipment onsite? Pass CM

CA CA Date

Pit, cellars, rat holes and other bores closed? Pass CM

CA CA Date

Guy line anchors removed? CM

CA CA Date

Guy line anchors marked? Pass CM

CA CA Date

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1003b. Area no longer in use? Pass Production areas stabilized ? Pass

1003c. Compacted areas have been cross ripped?

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

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? Pass 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? P

Comment:

Overall Interim Reclamation In Process

**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 |
|---|---|---|---|---|---|---|
| | | | | MHSP | Pass | |
| | | Gravel | Pass | | | |
| Berms | Pass | | | | | |
| Gravel | Pass | | | | | |
| | | Ditches | Pass | | | |
| Compaction | Pass | | | | | |

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S/A/V: SATISFACTORY Corrective Date: _____

Comment: No apparent soil migration; erosion or soil movement. BMP's in satisfactory condition at time of inspection.

CA:

**Pits:** ☒ NO SURFACE INDICATION OF PIT