

**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:
07/30/2015Document Number:
675201874

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 334477 | 334477 | CONKLIN, CURTIS | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 10433Name of Operator: PICEANCE ENERGY LLCAddress: 1512 LARIMER STREET #1000City: 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 |
|----------------|----------------|-----------------------------|---|
| Bankert, Wayne | (970) 683-5419 | wbankert@laramie-energy.com | Senior Regulatory & Environmental Coordinator |
| Freeman, Sarah | | sarah.freeman@state.co.us | NW Permitting |

Compliance Summary:QtrQtr: SESE Sec: 16 Twp: 9S Range: 93W**Inspector Comment:**

Permits expired 5/15/14. No evidence of wells or location.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|-------------------------------------|
| 300142 | WELL | XX | 04/16/2012 | LO | 077-09881 | BCU 16-433 | ND | <input checked="" type="checkbox"/> |
| 300433 | WELL | XX | 04/16/2012 | LO | 077-09896 | BCU 16-334 | ND | <input checked="" type="checkbox"/> |
| 300434 | WELL | XX | 04/16/2012 | LO | 077-09897 | BCU 16-343 | ND | <input checked="" type="checkbox"/> |
| 300435 | WELL | XX | 04/16/2012 | LO | 077-09898 | BCU 16-341 | ND | <input checked="" type="checkbox"/> |
| 300436 | WELL | XX | 04/16/2012 | LO | 077-09899 | BCU 16-332 | ND | <input checked="" type="checkbox"/> |
| 300437 | WELL | XX | 04/16/2012 | LO | 077-09900 | BCU 16-333 | ND | <input checked="" type="checkbox"/> |
| 300438 | WELL | XX | 04/16/2012 | LO | 077-09901 | BCU 16-323 | ND | <input checked="" type="checkbox"/> |
| 300439 | WELL | XX | 04/16/2012 | LO | 077-09902 | BCU 21-412 | ND | <input checked="" type="checkbox"/> |
| 300440 | WELL | XX | 04/16/2012 | LO | 077-09903 | BCU 16-432 | ND | <input checked="" type="checkbox"/> |
| 300441 | WELL | XX | 04/16/2012 | LO | 077-09904 | BCU 21-413 | ND | <input checked="" type="checkbox"/> |
| 300442 | WELL | XX | 04/16/2012 | LO | 077-09905 | BCU 21-313 | ND | <input checked="" type="checkbox"/> |

Inspector Name: CONKLIN, CURTIS

| | | | | | | | | |
|--------|------|----|------------|----|-----------|------------|----|---|
| 300443 | WELL | XX | 04/16/2012 | LO | 077-09906 | BCU 21-312 | ND | X |
| 300444 | WELL | XX | 04/16/2012 | LO | 077-09907 | BCU 21-311 | ND | X |
| 300445 | WELL | XX | 04/16/2012 | LO | 077-09908 | BCU 16-443 | ND | X |
| 300446 | WELL | XX | 04/16/2012 | LO | 077-09909 | BCU 16-442 | ND | X |
| 300447 | WELL | XX | 04/16/2012 | LO | 077-09910 | BCU 16-342 | ND | X |
| 300456 | WELL | XX | 04/16/2012 | LO | 077-09911 | BCU 16-344 | ND | X |

Equipment:Location Inventory

| | | | |
|------------------------------|---------------------|---------------------|-------------------------|
| Special Purpose Pits: 1 | Drilling Pits: 1 | Wells: 17 | Production Pits: _____ |
| Condensate Tanks: 2 | Water Tanks: 2 | Separators: 4 | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: _____ |
| Electric Generators: _____ | Gas Pipeline: 1 | Oil Pipeline: _____ | Water Pipeline: 1 |
| Gas Compressors: _____ | VOC Combustor: 1 | Oil Tanks: _____ | Dehydrator Units: _____ |
| Multi-Well Pits: _____ | Pigging Station: 1 | Flare: _____ | Fuel Tanks: _____ |

Location

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

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: 334477

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

| Group | User | Comment | Date |
|--------|-----------|---|------------|
| Agency | kubeczkod | Operator must implement best management practices to contain any unintentional release of fluids. | 04/13/2010 |
| Agency | kubeczkod | 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. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1. | 04/13/2010 |
| Agency | kubeczkod | Location is in a sensitive area because of close proximity to surface water, therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations. | 04/13/2010 |
| Agency | kubeczkod | Location is in a sensitive area because of shallow groundwater; therefore, either a lined drilling pit or closed loop system must be implemented. | 04/13/2010 |

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: 300142 Type: WELL API Number: 077-09881 Status: XX Insp. Status: ND

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 300433 | Type: WELL | API Number: 077-09896 | Status: XX | Insp. Status: ND |
| Facility ID: 300434 | Type: WELL | API Number: 077-09897 | Status: XX | Insp. Status: ND |
| Facility ID: 300435 | Type: WELL | API Number: 077-09898 | Status: XX | Insp. Status: ND |
| Facility ID: 300436 | Type: WELL | API Number: 077-09899 | Status: XX | Insp. Status: ND |
| Facility ID: 300437 | Type: WELL | API Number: 077-09900 | Status: XX | Insp. Status: ND |
| Facility ID: 300438 | Type: WELL | API Number: 077-09901 | Status: XX | Insp. Status: ND |
| Facility ID: 300439 | Type: WELL | API Number: 077-09902 | Status: XX | Insp. Status: ND |
| Facility ID: 300440 | Type: WELL | API Number: 077-09903 | Status: XX | Insp. Status: ND |
| Facility ID: 300441 | Type: WELL | API Number: 077-09904 | Status: XX | Insp. Status: ND |
| Facility ID: 300442 | Type: WELL | API Number: 077-09905 | Status: XX | Insp. Status: ND |
| Facility ID: 300443 | Type: WELL | API Number: 077-09906 | Status: XX | Insp. Status: ND |
| Facility ID: 300444 | Type: WELL | API Number: 077-09907 | Status: XX | Insp. Status: ND |
| Facility ID: 300445 | Type: WELL | API Number: 077-09908 | Status: XX | Insp. Status: ND |
| Facility ID: 300446 | Type: WELL | API Number: 077-09909 | Status: XX | Insp. Status: ND |
| Facility ID: 300447 | Type: WELL | API Number: 077-09910 | Status: XX | Insp. Status: ND |
| Facility ID: 300456 | Type: WELL | API Number: 077-09911 | Status: XX | Insp. Status: ND |

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:

Inspector Name: CONKLIN, CURTIS

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

Inspector Name: CONKLIN, CURTIS

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

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.)