

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:
09/15/2015

Document Number:
669300878

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>442675</u>	<u>442674</u>	<u>NEIDEL, KRIS</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>6720</u>
Name of Operator:	<u>BAYLESS PRODUCER LLC* ROBERT L</u>
Address:	<u>621 17TH ST STE 2300</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80293</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
thomas, john	505-326-2659	jthomas@rlbayless.com	
Fischer, Alex		alex.fischer@state.co.us	
Trujillo, Helen		notices@rlbayless.com	All inspections
Waldron, Emily		emily.waldron@state.co.us	

Compliance Summary:

QtrQtr: SWNE Sec: 16 Twp: 4N Range: 91W

Inspector Comment:

COGCC Environmental Staff on location to follow up on reports from COGCC field Inspection that cuttings were not being managed per COGCC rules and form 2A COA's. Well was spud with an "air rig", rig was off location at time of inspection. Surface casing was cemented (greater than 30bbl of returns were reported to the surface) ~600'. Staff witnessed cuttings sprayed on the cut wall to the east of the well. Staff was told by Drilling Engineer, that the cuttings did not come out of the hole until they were displaced by water; as a result the moisture of the cuttings was higher than "de minimis" as required in approved Form 2A. Cement returns were in a berm near the wellhead, the returns were a mixture of water and cement. Staff was told by the Drilling Engineer that the cuttings would be gathered and stored on location as E&P waste (by end of day 9/15/2015) until required analytical shows that concentrations are below COGCC table 910-1. Drilling Engineer also informed staff that the cement returns would be removed from location by 9/15/2015. COGCC staff discussed cuttings management rules and COA's, moving forward on this drill. All E&P waste should be handled per rule 907, cuttings should be stored on a liner and bermed to prevent migration.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
442675	WELL	XX	07/31/2015		081-07821	Foster State 1	DG

Equipment:

Location Inventory

Special Purpose Pits: <u> </u>	Drilling Pits: <u> </u>	Wells: <u> 1 </u>	Production Pits: <u> </u>
Condensate Tanks: <u> </u>	Water Tanks: <u> 1 </u>	Separators: <u> 1 </u>	Electric Motors: <u> </u>
Gas or Diesel Mortors: <u> </u>	Cavity Pumps: <u> </u>	LACT Unit: <u> </u>	Pump Jacks: <u> 1 </u>
Electric Generators: <u> 1 </u>	Gas Pipeline: <u> </u>	Oil Pipeline: <u> </u>	Water Pipeline: <u> </u>
Gas Compressors: <u> </u>	VOC Combustor: <u> </u>	Oil Tanks: <u> 3 </u>	Dehydrator Units: <u> </u>
Multi-Well Pits: <u> </u>	Pigging Station: <u> </u>	Flare: <u> 1 </u>	Fuel Tanks: <u> 1 </u>

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: 442675

Site Preparation:

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

S/AV: _____

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkd	<p>The moisture content of drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts. After drilling and completion operations have been completed, the drill cuttings that will remain on the well pad location (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), must meet the applicable standards of Table 910-1. After the drill cuttings have been amended (if necessary) and placed on the well pad, sampling frequency of the drill cuttings (to be determined by the operator) shall be representative of the material left on location. No offsite disposal of cuttings to another oil and gas location shall occur without prior approval of a Waste Management Plan (submitted via a Form 4 Sundry Notice) specifying disposal location and waste characterization method. Commercial disposal of drill cuttings will only require notification to COGCC via a Form 4 Sundry Notice.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) located on the well pad; or into tanker 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 constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.</p>	07/30/2015

OGLA	kubeczkd	<p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations (as shown on the Construction Layout Drawings); 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 per CDPHE requirements and after precipitation events), and maintained in good condition.</p> <p>The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around permanent crude oil, condensate, and produced water storage tanks.</p>	07/30/2015
OGLA	kubeczkd	Operator shall pressure test pipelines (flowlines) in accordance with Rule 1101.e. (1) prior to putting into initial service any temporary surface or permanent buried pipelines/flowlines and following any reconfiguration of the pipeline network.	07/30/2015
OGLA	kubeczkd	Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, pipeline (flowline) testing, start of hydraulic stimulation operations, and start of flowback operations (if different that stimulation) using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).	07/30/2015

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

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Wildlife	<ol style="list-style-type: none"> 1. Conduct oil and gas activities outside the time period from December 1 through April 15 to help reduce behavioral impacts to elk and deer that use this area during winter. AGREE 3. Conduct construction, drilling and completion activities outside of the 2nd and 3rd rifle big game seasons. AGREE 4. Restrict post-development well site visitations to between the hours of 9:00 a.m. and 4:00 p.m. from December 1 to April 15 to help reduce behavioral impacts to elk and deer that use this area during winter. AGREE 5. Muffle or otherwise control exhaust noise from pump jacks and compressors so that operational noise will not exceed 49 dB measured at 30 feet from the edge of the well pad. AGREE 6. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads. AGREE 7. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location following COGCC Rule 1204 a-1. AGREE 8. The operator will use exclusionary (wildlife and livestock) fencing to protect reclaimed areas until vegetation is established. AGREE

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: 0 Type: _____ API Number: - Status: _____ Insp. Status: _____

Environmental

Spills/Releases:
 Type of Spill: DRILLING Description: cuttings Estimated Spill Volume: _____
 Comment: no registered water wells with in 1 mile of spill location.
 Corrective Action: submit spill report, eForm 19 by Monday 9/21/2015 for spilled cuttings Date: 09/21/2015
 Reportable: YES GPS: Lat _____ Long _____
 Proximity to Surface Water: 200 Depth to Ground Water: _____

Water Well: Lat _____ Long _____
 DWR Receipt Num: _____ Owner Name: _____ GPS : _____

Field Parameters:

 Sample Location: _____

Waste Management:

Type	Management	Condition	Comment	GPS (Lat)	(Long)
Drill Cuttings	Other	Inadequate	see inspector comment section (on this document). location was due east of wellbore on cut wall.		

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:

[Empty comment box]

- 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: [Empty comment box]

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND

Reminder:

Comment:

[Empty comment box]

- 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 _____

Inspector Name: NEIDEL, KRIS

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
669300879	pictures from 9-14-2015	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3683491

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.)