

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:
10/23/2015

Document Number:
682400025

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	443555	443555	Binschus, Chris	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10459</u>
Name of Operator:	<u>EXTRACTION OIL & GAS LLC</u>
Address:	<u>370 17TH STREET SUITE 5300</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80202</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
Noto, John		john.noto@state.co.us	
Owens, Matt	720-382-2693	COGCCInspections@extracti onog.com	All inspections
Andrews, Doug		doug.andrews@state.co.us	

Compliance Summary:

QtrQtr:	<u>NENW</u>	Sec:	<u>36</u>	Twp:	<u>12N</u>	Range:	<u>62W</u>
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/20/2015	682400002			ACTION REQUIRED			No

Inspector Comment:

This is a follow up construction inspection for Inspection #682400002. Any corrective actions from previous inspections that have not been addressed are still applicable. Corrective action dates from previous Inspection #682400002 will be used for the number of days out of compliance.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
443556	WELL	XX	10/14/2015		123-42282	Silverback 3	XX <input checked="" type="checkbox"/>
443557	WELL	XX	10/14/2015		123-42283	Silverback 1	XX <input checked="" type="checkbox"/>
443558	WELL	XX	10/14/2015		123-42284	Silverback 2	XX <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>3</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>6</u>	Separators: <u>3</u>	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: <u>9</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: <u>1</u>	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: 443555

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

S/A/V: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	andrewsd	Onsite treatment and reuse of drill cuttings must be successfully completed prior to the indicated date that Interim Reclamation will begin. In the event that treatment and reuse of drill cuttings is not completed prior to this date, Operator shall submit a 502.b Variance Request Letter to extend the time period or dispose of the drill cuttings at commercial facility.	09/21/2015
OGLA	HouseyM	Any accumulation of fluid in treatment area(s) shall be removed upon detection. All treatment area(s) shall be monitored after any significant precipitation event.	10/08/2015
OGLA	HouseyM	Precautions (such as a synthetic liner) shall be used to prevent potential impacts to the subsurface soil and shallow groundwater resulting from the onsite remediation stockpiles.	10/08/2015
OGLA	HouseyM	All berms placed around the stockpile locations shall be sufficient to prevent stormwater run on and runoff. Berms shall be maintained and constructed of non-E&P waste material.	10/08/2015
OGLA	andrewsd	The Operator shall prepare and submit for prior Director approval a Form 27 Site Investigation and Remediation Workplan for the onsite land treatment of oily waste (drill cuttings that contain hydrocarbons) in accordance with Rule 909.c.(3). The Form 27 shall include a site map showing the site layout and stockpile locations, a description of the confirmation sampling program, a description of and any pertinent literature about proposed amendments to enhance remediation of the drill cuttings, and a diagram of where cuttings will be beneficially reused.	09/23/2015

S/A/V: _____ **Comment:**

CA: **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Final Reclamation	Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. The Operator shall restore the surface of the Land affected by such terminated operations as near as possible to the previous state that existed prior to operations.

Dust control	Operator shall employ practices for control of fugitive dust caused by their operations.
General Housekeeping	Visual Impacts: Equipment, regardless of construction date, which are observable from any public highway shall be painted with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to, but slightly darker than, the surrounding landscape.
Drilling/Completion Operations	<p>Bioremediation of Drill Cuttings</p> <p>1. Mixing and Treatment:</p> <p>A. All cuttings shall be mixed on location</p> <p>B. Cuttings shall be mixed with additives. The amount of additives shall be determined based on laboratory analysis of untreated cuttings.</p> <p>C. Mixing shall be performed with equipment to ensure contact between the cuttings and additives</p> <p>D. Additives</p> <p>i. CMC – polymer absorbent, non-toxic, non-hazardous</p> <p>ii. Oppenheimer Piranha – bioremediation of hydrocarbons</p> <p>iii. Water soluble calcium – chemical reduction of SAR</p> <p>2. Stockpile Management:</p> <p>A. Treated, solidified cuttings shall be stored on location in individual well stockpiles. One stockpile per well. Each stockpile shall be marked with the name of the well.</p> <p>B. Stockpiles shall be windrows with a height as tall as practical. Taller windrows aid in the retention of warmth increasing microbial activity.</p> <p>C. Leachate shall be managed by absorbent material. The inherent properties of CMC reduces leachate levels of TDS to below standards based on laboratory analysis.</p> <p>D. An earthen berm, one foot in height, shall be constructed around the stockpile(s) to minimize storm water runoff</p> <p>E. As the solidified cuttings dry, a protective crust layer will form on the surface of the stockpile. This crust layer helps retain moisture and heat within the stockpile while also protecting the native landscape from windborne contaminated particulate. Care shall be taken by the Operator and all contractors to minimize stockpile disturbance until a properly trained soil sampling technician visits the site.</p> <p>3. Sampling & Testing:</p> <p>A. The stockpile of treated cuttings will be sampled and tested according to standard laboratory and sampling protocols and COGCC table 910-1. Stockpiles will be sampled in increments no greater than 100 cubic yards. Ten samples shall be taken from each segment of the stockpile of treated drill cuttings, mixed and then one composite sample will be used for testing. Samples will be taken from the stockpile in such a way as to preserve any potential volatile organic compounds. Ten random samples shall be taken of the stockpile of subsoil for use as a source for background data.</p> <p>B. After the cuttings have achieved the threshold limits specified in table 910-1, the treated material will be thin spread on the well site and incorporated into the reclamation fill material.</p> <p>A permanent record of the laboratory analysis shall be maintained by the Operator.</p>
Planning	A meeting with the surface owner will determine the fencing plan.
Interim Reclamation	Operator shall be responsible for segregating the topsoil, backfilling, repacking, reseeding, and recontouring the surface of any disturbed area so as not to interfere with Owner's operations and shall reclaim such area to be returned to pre-existing conditions as best as possible with control of all weeds.
Drilling/Completion Operations	One of the first wells drilled on the pad will be logged with openhole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which openhole logs were run.
Emissions mitigation	805.b.(3)A. Green completion practices are not required for this area as it is considered exploratory. If it is determined that the wells will produce gas in economic quantities, then Extraction will negotiate with nearby midstream operators to connect to their gas sales line.
Traffic control	Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. An Access Road Permit will be applied for through Weld County.

Construction	Guy line anchors: All guy line anchors shall be brightly marked pursuant to Rule 604.c.(2)Q. Tank berms will be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition. Secondary containment devices will be sufficiently impervious to contain any spilled or released material.
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S/AV: _____ Comment: _____

CA: _____ Date: _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
DITCHES	No		

S/AV: ACTION
REQUIRED

Corrective Action: Need to install Stormwater BMPs Date: 10/23/2015

Comments: Erosion BMPs: Stormwater BMPs need to be installed for access road, west disturbance location, east disturbance location, and for the topsoil stockpile. The topsoil stockpile also needs to be stabilized. Refer to pictures in Doc #682400030.

Other BMPs: _____

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: 443556 Type: WELL API Number: 123-42282 Status: XX Insp. Status: XX

Facility ID: 443557 Type: WELL API Number: 123-42283 Status: XX Insp. Status: XX

Facility ID: 443558 Type: WELL API Number: 123-42284 Status: XX Insp. Status: XX

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: DRY LAND

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

Inspector Name: Binschus, Chris

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: DRY LAND _____

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

COGCC Comments

Comment	User	Date
Additional disturbance along the County Road 136 bar ditch appears to exceed the 2A (Doc. #400878161) permitted area. This issue is being forwarded onto OGLA for further assessment.	binschusc	10/28/2015

<p>This is a follow up construction inspection for Inspection #682400002 made on 10/20/15. Corrective actions were issued for no stormwater control BMPs prior to construction. I received a Form 42, Doc #400924122, from the operator on 10/23/15 stating that the corrective actions were performed on 10/22/15. Based on my re-inspection on 10/23/15, stormwater control BMPs are still inadequate. Stormwater control BMPs still need to be installed for the access road (Pictures 1-6 Doc. #682400030). Stormwater control ditch needs to be constructed along the western location and the East stormwater control ditch needs to be reconstructed (Picture 7, 9, and 11 Doc. #68240030). The topsoil stockpile was built on top of the East stormwater control ditch (Pictures 10-11 Doc #682400030). The topsoil stockpile needs to be stabilized and stormwater controls need to be installed. Please refer to additional photos in Doc. #682400030.</p> <p>Need to install Stormwater control BMPs as soon as possible. Corrective action dates from previous Inspection #682400002 will be used for the number of days out of compliance.</p>	binschusc	10/28/2015
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Attached Documents

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

Document Num	Description	URL
682400030	Construction Location Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3712802

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.)