

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
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Inspection Date:
10/30/2015

Document Number:
682400034

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>431161</u>	<u>431161</u>	<u>Binschus, Chris</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>47120</u>
Name of Operator:	<u>KERR MCGEE OIL & GAS ONSHORE LP</u>
Address:	<u>P O BOX 173779</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80217-</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
Ready, Luke		luke.reddy@anadarko.com	
		rscCOGCCinspections@anadarko.com	

Compliance Summary:

QtrQtr:	<u>NWNW</u>	Sec:	<u>15</u>	Twp:	<u>1N</u>	Range:	<u>68W</u>
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/16/2015	673801680			SATISFACTORY			No

Inspector Comment:

This is an inspection resulting from a complaint (Doc. #200437789) regarding interim reclamation.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
431166	WELL	DG	10/26/2014	SI	123-36449	BADGER 22N-3HZ	DG	<input checked="" type="checkbox"/>
431167	WELL	DG	11/01/2014	SI	123-36450	BADGER 12N-3HZ	DG	<input checked="" type="checkbox"/>
431168	WELL	DG	10/23/2014	SI	123-36451	BUFFALO 14C-15HZ	DG	<input checked="" type="checkbox"/>
431169	WELL	DG	11/05/2014	LO	123-36452	BUFFALO STATE 34N-15HZ	DG	<input checked="" type="checkbox"/>
431170	WELL	DG	10/27/2014	SI	123-36453	BADGER 12C-3HZ	DG	<input checked="" type="checkbox"/>
431171	WELL	DG	10/29/2014	SI	123-36454	BUFFALO 35C-15HZ	DG	<input checked="" type="checkbox"/>
431172	WELL	DG	10/20/2014	LO	123-36455	BUFFALO 14N-15HZ	DG	<input checked="" type="checkbox"/>
431173	WELL	DG	10/22/2014	SI	123-36456	BADGER 22C-3HZ	DG	<input checked="" type="checkbox"/>
431174	WELL	DG	10/16/2014	LO	123-36457	BADGER 25N-3HZ	DG	<input checked="" type="checkbox"/>

Inspector Name: Binschus, Chris

431175	WELL	DG	10/21/2014	SI	123-36458	BADGER 11N-3HZ	DG	✗
431176	WELL	DG	11/02/2014	SI	123-36459	BUFFALO 13C-15HZ	DG	✗
431177	WELL	DG	10/19/2014	LO	123-36460	BUFFALO 36C-15HZ	DG	✗
431178	WELL	DG	10/30/2014	SI	123-36461	BUFFALO 13N-15HZ	DG	✗
431179	WELL	DG	10/24/2014	SI	123-36462	BUFFALO 35N-15HZ	DG	✗
431180	WELL	DG	11/02/2014	SI	123-36463	BADGER STATE 32C-3HZ	DG	✗
431181	WELL	DG	10/17/2014	LO	123-36464	BADGER 11C-3HZ	DG	✗

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: <u>2</u>	Wells: <u>16</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: <u>16</u>
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: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
DEBRIS	ACTION REQUIRED	Straw bail and tree cutting debris in northwest location (Photo 15 Doc. #682400040)	Need to remove all debris from location.	11/20/2015

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: 431161

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: Ponding water in southern production area. Refer to Photos 16 and 17 in Doc. #682400040.

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: 431166 Type: WELL API Number: 123-36449 Status: DG Insp. Status: DG

Facility ID: 431167 Type: WELL API Number: 123-36450 Status: DG Insp. Status: DG

Facility ID: 431168 Type: WELL API Number: 123-36451 Status: DG Insp. Status: DG

Facility ID: 431169 Type: WELL API Number: 123-36452 Status: DG Insp. Status: DG

Facility ID: 431170 Type: WELL API Number: 123-36453 Status: DG Insp. Status: DG

Facility ID: 431171 Type: WELL API Number: 123-36454 Status: DG Insp. Status: DG

Facility ID: <u>431172</u>	Type: <u>WELL</u>	API Number: <u>123-36455</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>431173</u>	Type: <u>WELL</u>	API Number: <u>123-36456</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>431174</u>	Type: <u>WELL</u>	API Number: <u>123-36457</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>431175</u>	Type: <u>WELL</u>	API Number: <u>123-36458</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>431176</u>	Type: <u>WELL</u>	API Number: <u>123-36459</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>431177</u>	Type: <u>WELL</u>	API Number: <u>123-36460</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>431178</u>	Type: <u>WELL</u>	API Number: <u>123-36461</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>431179</u>	Type: <u>WELL</u>	API Number: <u>123-36462</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>431180</u>	Type: <u>WELL</u>	API Number: <u>123-36463</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>431181</u>	Type: <u>WELL</u>	API Number: <u>123-36464</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>

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:

Sample Location:

Complaint:				
Tracking Num	Category	Assigned To	Description	Incident Date
200437789	RECLAMATION	Arthur, Denise	<p>Maria Petrocco is an attorney filing a complaint on behalf of land owners in the Erie, CO area. COGCC was copied on a communication to Kerr-McGee regarding reclamation at wells in the area. The initial complaint to Kerr-McGee was not provided. The communication sent to COGCC is a reply to Anadarko representative Sherry Bursey's response to the complaint.</p> <p>Anadarko responded that COGCC rules permit delaying final reclamation if the areas are 'reasonably needed for production operations or subsequent drilling operations within twelve (12) months' as per rule 100.3(b). Ms. Bursey states, "Often times, KMG is still in the process of finalizing pipeline routes and ancillary operations that are necessary for specific wells and other drill sites in the same geographical area." Ms. Bursey specifically refers to wells Como 13C-14HZ, Como 34N-14HZ, and Como 13N-14HZ as being slated for interim reclamation for December 2015. Ms. Bursey states that KMG is submitting a variance for waiving 'certain interim reclamation requirements' at Badger wells. Ms. Bursey states that in anticipation of schedule delays the well pads have been stabilized with compacted road base and plating material.</p> <p>Ms. Petrocco's complaint in response to the Anadarko communication states, "While KMG may be working within the technical rules of the COGCC rules and regulations, I do not believe that KMG is acting with good faith and in the spirit of the rules. KMG gas drilled over 12 wells on property in the Erie area and these wells have not been completed. Therefore, the construction area around the well sites remain disturbed and unusable for the landowners... my clients cannot plant crops on the road base or graze their livestock on the plating material. All crop lands are required to be reclaimed within three months after drilling, unless the area is reasonably needed for subsequent operations. Does every well that is drilled need subsequent operations? We see a definite pattern of using this additional time for reclamation as a means to wait for oil and gas prices to rise before wells are completed. This choice may be a benefit to KMG but it is done at the expense of my clients whose livelihood depends on the very lands that you are holding hostage to maximize your profit...KMG may be following the letter of the reclamation rules, but these reclamation rules were never intended to be used as a means of drilling an unlimited number of wells when construction costs were low to play the waiting game for production prices."</p> <p>Complainants for this location include: George Eidness (Flying E Ranch and Como, LLC) and Shirley A Cleland. Complaint includes APIs 123-36457, 123-36464, 123-36456, 123-36458, 123-36453, 123-36450, 123-36459, 123-36463.</p>	10/19/2015

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, IRRIGATED

Comment: _____

1003a. Debris removed? Fail CM Large drying Kochia/Russian thistle debris, see "COGCC Comments"

CA Remove Kochia/Russian thistle and dispose properly. CA Date 11/20/2015

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Fail CM Unused or unneeded equipment needs to be removed.

CA Remove from location. Refer to photo 18 in Doc. #682400040. CA Date 11/20/2015

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? Fail Production areas stabilized ? Fail

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? Fail

Production areas have been stabilized? Fail Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured Fail Perennial forage re-established Fail

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: Reclamation needs to occur on areas no longer needed for production operations. Weed maintenance is needed on site. Refer to 'COGCC Comments' concerning CAs and CA dates.

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

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

Final Land Use: DRY LAND, IRRIGATED

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 _____

Inspector Name: Binschus, Chris

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
Need to remove straw bale and tree cutting debris from northwest location by Corrective Action date of November 20, 2015.	binschusc	11/05/2015
Southeast and eastern production areas need to be stabilized from sediment movement and soil erosion needs to be controlled by Corrective Action date of November 20, 2015. Refer to photos 20-22 in Doc. #682400040.	binschusc	11/05/2015
Large piles of road base located in southeastern location needs to be removed by Corrective Action date of November 20, 2015 and reclaimed (Refer to photo 24 in Doc. #682400040). Currently, these road base piles are obstructing proper stormwater flows on location (Refer to photos 16 and 17).	binschusc	11/05/2015
Reclamation activities shall begin no later than November 30, 2015.		
Open depression located in southeast location needs to be reclaimed and contoured back to the reference cropland landscape. Refer to photo 19 in Doc. #682400040.	binschusc	11/04/2015
Reclamation activities shall begin no later than November 30, 2015.		
Unused or unneeded equipment needs to be removed from location by Corrective Action date of November 20, 2015. Refer to photo 18 in Doc. #682400040.	binschusc	11/04/2015
Kochia (Kochia sp.) and Russian thistle (Salsola sp.) exists throughout location. This is debris and will break off and encroach upon adjacent lands. Remove and dispose of properly by Corrective Action date of November 20, 2015. Refer to photos in Doc. #682400040.	binschusc	11/04/2015
Location does not meet reclamation regulations. Submit a Form 4 attached with a reclamation plan, and a map detailing interim reclamation for areas on the well pad no longer needed for production operations by Corrective Action date of November 20, 2015. The plan should include, at a minimum, a detailed schedule for reclamation activities, weed management plan, seed mixture, seed application method, interim stormwater controls with soil stabilization until the land can be returned to agricultural production, mulch type, and if needed, fertilizer/soil amendments and water. Refer to photos in Doc. #682400040.	binschusc	11/04/2015
Reclamation activities shall begin no later than November 30, 2015.		

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

Document Num	Description	URL
682400040	Location photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3715499

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.)