Inspector Name: Binschus, Chris

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: 11/24/2015

Document Number: 682400080

Overall Inspection: **ACTION REQUIRED**

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	441811	441811	Binschus, Chris	☐	

Operator Information:

OGCC Operator Number: 10459

Name of Operator: EXTRACTION OIL & GAS LLC

Address: 370 17TH STREET SUITE 5300

City: 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
,		COGCCInspections@extractionog.com	All Inspectons

Compliance Summary:

QtrQtr: NWSW Sec: 5 Twp: 2N Range: 68W

Inspector Comment:

This is a construction inspection.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
441807	WELL	XX	05/17/2015		123-41517	Fairview 10	XX	☒
441808	WELL	XX	05/17/2015		123-41518	Fairview 7	XX	☒
441809	WELL	XX	05/17/2015		123-41519	Fairview 6	XX	☒
441810	WELL	XX	05/17/2015		123-41520	Fairview 9	XX	☒
441812	WELL	XX	05/17/2015		123-41521	Fairview 5	XX	☒
441813	WELL	XX	05/17/2015		123-41522	Fairview 3	XX	☒
441814	WELL	XX	05/17/2015		123-41523	Fairview 4	XX	☒
441821	WELL	XX	05/18/2015		123-41524	Fairview 11	XX	☒
441822	WELL	XX	05/18/2015		123-41525	Fairview 8	XX	☒

Equipment: Location Inventory

Special Purpose Pits:		Drilling Pits:		Wells:	11	Production Pits:	
Condensate Tanks:		Water Tanks:	6	Separators:	11	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:	24	Dehydrator Units:	
Multi-Well Pits:		Pigging Station:		Flare:		Fuel Tanks:	

Location

Inspector Name: Binschus, Chris

Lease Road:				
Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	ACTION REQUIRED	Sediment leaving area as mud attached to vehicle tires	Need to minimize sediment leaving the area via access road off CO 119	12/02/2015
Access	ACTION REQUIRED	Accessing location via Fairview	Only use the access road off CO 119	12/01/2015

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

Comment:

Corrective Action:

Spills:				
Type	Area	Volume	Corrective action	CA Date

☐ Multilple Spills and Releases?

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 441811

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	treitzr	Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42 per Rule 316C.c.	05/14/2015

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

CA: **Date:**

Wildlife BMPs:

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BMP Type	Comment
Noise mitigation	Sound walls and/or hay bales will be used to shield sensitive areas to the East during drilling operations should noise be a concern to Building Unit owner(s). Additional Sound mitigation measures will be considered and implemented pursuant to third party recommendations. Sound walls will be used to surround the generators during drilling operations to shield sensitive areas. Sound walls will be used to surround the vapor recovery units and/or combustion engines during production operations to shield sensitive areas. Operator will investigate the possibility of using electricity to power the facilities in order to decrease the amount of noise from combustion generators and/or engines.
Pre-Construction	Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling. Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)
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 noxious weeds.
Emissions mitigation	Green Completions - Emission Control System: Test separators and associated flow lines and sand traps shall be installed to accommodate green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flowback gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for at least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flowback within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustions where non-combustible gases are present.
Construction	Guy line anchors: All guy line anchors shall be brightly marked pursuant to Rule 604.c.(2)Q. Berm Construction- Tanks berms shall 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. Containment berms shall be constructed and designed to prevent leakage and resist degradation from erosion or routine operation. Tertiary containment, such as an earthen berm, will be installed as required for Production Facilities within 500 feet of a downgradient surface water feature. All berms will be visually checked periodically to ensure proper working condition.
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. Traffic will be routed to minimize local interruption.
Odor mitigation	Equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare. Oil and gas operations shall be in compliance with the Department of Public Health and Environment, Air Quality Control Commission, Regulation No. 2 Odor Emission, 5 C.C.R. 1001-4, Regulation No. 3 (5 C.C.R. 1001-5), and Regulation No. 7 Section XVII.B.1 (a-c) and Section XII.

Planning	Multi-well Pads are located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas and complies with the wishes of the surface owner. A meeting with the surface owner will determine the fencing plan. Tanks will be designed, constructed and maintained in accordance with NFPA Code 30. The tanks are visually inspected once a day for issues, and recorded inspections are conducted once a month. Because tanks are within the buffer zone, Operator will utilize low-profile tanks. Operator will be purchasing, installing and maintaining landscape screening on the east side of facilities closest to building units.
Drilling/Completion Operations	A closed –loop system will be used for drilling operations. Blowout Prevention Equipment (“BOPE”): A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid. Lighting: Site lighting shall be directed downward and inward and shielded so as to avoid glare on public roads and Building Units within one thousand (1000) feet where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site. Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012. Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Drilling Completion Report - Form 5 for every well on the pad shall identify which well was logged.
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.
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
Dust control	Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high- wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers may be used.
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. Maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed immediately. Operator shall keep the Surface Use Area as well as any roads or other areas used by Operator safe and in good order, including control of noxious weeds litter and debris.

Material Handling and Spill Prevention	Leak Detention Plan: Pumper will visit the location daily and visually inspect all wellheads, tanks and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR 112. Control of fire hazards: All material that is considered a fire hazard shall be a minimum of 25' from the wellheads, tanks or separators. Electrical equipment shall comply with API IRP 500 and will comply with the current national electrical code. Operator shall comply with state and federal laws, rules and regulations governing the presence of any petroleum products, toxic or hazardous chemicals or wastes on the Subject lands.

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

CA: _____ **Date:** _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
DITCHES	Yes		`

S/A/V: SATISFACTORY

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: Perimeter ditch installed before construction

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: 441807 Type: WELL API Number: 123-41517 Status: XX Insp. Status: XX

Facility ID: 441808 Type: WELL API Number: 123-41518 Status: XX Insp. Status: XX

Facility ID: 441809 Type: WELL API Number: 123-41519 Status: XX Insp. Status: XX

Facility ID: 441810 Type: WELL API Number: 123-41520 Status: XX Insp. Status: XX

Facility ID:	Type:	API Number:	Status:	Insp. Status:
441812	WELL	123-41521	XX	XX
441813	WELL	123-41522	XX	XX
441814	WELL	123-41523	XX	XX
441821	WELL	123-41524	XX	XX
441822	WELL	123-41525	XX	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: IRRIGATED

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: 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 _____

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

Inspector Name: Binschus, Chris

S/A/V: _____ Corrective Date: _____

Comment:

CA:

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Operators and contractors accessing location via Fairview St. needs to stop ASAP by Corrective Action date 12/1/15. Only use CO 119 to access location per Doc. #1668705 (Access road map). Refer to photos in Doc. #682400081.	binschusc	11/30/2015
Need to minimize sediment leaving the area as mud attached to vehicle tires via CO 119 access road by Corrective action date 12/2/15. Refer to photos in Doc. #682400081.	binschusc	11/30/2015
Construction still underway at northern location. Will need to reinspect.	binschusc	11/30/2015

Attached Documents

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

Document Num	Description	URL
682400081	Location Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3729685

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.)