

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:
11/21/2015

Document Number:
680100336

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____
<u>418417</u>	<u>418417</u>	<u>418417</u>	<u>Colby, Lou</u>		

Operator Information:

OGCC Operator Number: 10447

Name of Operator: URSA OPERATING COMPANY LLC

Address: 602 SAWYER STREET #710

City: HOUSTON State: TX Zip: 77007

- 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
Knudson, Dwayne	(970) 456-3335	dknudson@ursaresources.com	
Bleil, Rob	970-329-4373	rbleil@ursaresources.com	

Compliance Summary:

QtrQtr: SWSW Sec: 17 Twp: 6S Range: 90W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/21/2015	680100043			ACTION REQUIRED	F		No

Inspector Comment:

Reclamation and Stormwater focused Inspection. Any corrective actions from previous inspections that have not been addressed are still applicable. Operator written response or comments on Corrective Actions should be submitted attached to Form 4. Form 6, " Intent to Abandon" has been filed.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
418543	WELL	SI	04/06/2011	GW	045-19727	Porter B1	SI	<input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: <u>2</u>	Water Tanks: <u>2</u>	Separators: <u>1</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: <u>1</u>	Water Pipeline: <u>1</u>
Gas Compressors: _____	VOC Combustor: <u>1</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: <u>1</u>	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: 418417

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

S/AV: _____

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

Form 2A COAs:

Group	User	Comment	Date
Agency	kubeczkod	Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations. If fluids are conveyed via pipeline, operator must implement best management practices to contain any unintentional release of fluids.	07/16/2010
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.	07/16/2010
Agency	kubeczkod	Operator must implement best management practices to contain any unintentional release of fluids.	07/16/2010
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.	07/16/2010
Agency	kubeczkod	No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.	07/16/2010
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.	07/16/2010

Agency	kubeczkod	Reserve pit must be lined or closed loop system must be implemented during drilling.	07/16/2010
Agency	kubeczkod	The access road will be constructed as to not allow any sediment to migrate from the access road to the nearby surface water or any drainages leading to surface water.	07/14/2010

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

CA: _____ **Date:** _____

Wildlife BMPs:

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: 418543 Type: WELL API Number: 045-19727 Status: SI Insp. Status: SI

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: HAY MEADOW, RANGELAND

Comment: _____

1003a. Debris removed? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? Pass CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Pass CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? Pass CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? Pass CM _____

CA _____ CA Date _____

1003b. Area no longer in use? Fail Production areas stabilized ? Fail

1003c. Compacted areas have been cross ripped? Fail

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

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 Fail Recontoured Fail Perennial forage re-established Fail

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

1003 f. Weeds Noxious weeds? _____ P _____

Comment: **Fail of Interim reflects large area no longer needed for production that remains unreclaimed. CA is to reclaim this area. CA Date remains End of Fall 2015 for commencement of revegetation Activities (from Doc#680100043.) Refer to Comments.**

Inspector Name: Colby, Lou

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

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

Final Land Use: HAY MEADOW, RANGELAND

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: **ACTION REQUIRED** Corrective Date: **08/31/2015**

Comment: **Rill and gully erosion is occurring in the Cut and Fill-Slopes within the project area; this is resulting in Sediment run-on to the Well pad Working surface. Work has been done on CA to contain sediment run-off but not to correct/stabilize the cause (Erosion on Fill Slope). Refer to Photos attached.**

CA: **Slopes need to be Stabilized (effective BMPs installed) to reduce rill and gully erosion of Slopes and run-on from the Cut Slope. CA Date remains at 8/31/15 from Inspection Doc #680100043.**

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>Operator has not complied with CA in Insp#680100043 dated 7/21/15: "Location does not meet Interim Reclamation regulations. Submit a plan by August 31, 2015 to revegetate the unused portions of the project area. The plan should contain a detailed schedule for reclamation activities, methods for decompaction, stormwater controls, weed management, fertilizer/soil amendments, mulch type, seed mixture, and seed application method. Revegetation activities should begin no later than Fall 2015. The plan should be submitted as attachment to a Form 4."</p> <p>Operator response stated that "Ursa has program plans in place for reclamation and stormwater management. The Porter pad is scheduled to have the well plug and abandoned by the end of 2015. Specifics are still being determined with the landowner as far as potential variance requests for the reclamation. The pad is currently scheduled to be put into final reclamation (pending potential variance). The estimated time frame for this activity is March-May 2016."</p> <p>Above response does not release Operator from CA. Submit Interim or Final Reclamation Plan as detailed in Insp# 680100043. CA Date remains 8/31/15. Operator written response or comments on Corrective Actions should be submitted attached to Form 4.</p>	colbyl	12/11/2015

Attached Documents

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

Document Num	Description	URL
680100337	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3739512

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.)