

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



Inspection Date:
02/24/2016
Document Number:
682400405
Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 444922 | 444922 | Binschus, Chris | <input type="checkbox"/> | |

Operator Information:

OGCC Operator Number: 10373
 Name of Operator: NGL WATER SOLUTIONS DJ LLC
 Address: 3773 CHERRY CRK NORTH DR #1000
 City: DENVER State: CO Zip: 80209

- 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 |
|---------------|--------------|------------------------------------|---------|
| GOTTLOB, PAUL | 720-420-5747 | paul.gottlob@iptenergyservices.com | |

Compliance Summary:

QtrQtr: NENE Sec: 29 Twp: 4N Range: 65W

Inspector Comment:

This is a construction inspection. See COGCC comments.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|--|
| 444921 | WELL | XX | 02/19/2016 | | 123-42811 | NGL C3B | CI <input checked="" type="checkbox"/> |

Equipment:

Location Inventory

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

Location

Lease Road:

| Type | Satisfactory/Action Required | comment | Corrective Action | Date |
|------|------------------------------|---------|-------------------|------|
| | | | | |

Signs/Marker:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|------|------------------------------|---------|-------------------|---------|
| | | | | |

Emergency Contact Number (S/AR): _____

Corrective Date: _____

| | |
|--------------------|--|
| Comment: | |
| Corrective Action: | |

| Good Housekeeping: | | | | |
|---------------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| | | | | |

| Spills: | | | | |
|--|------|--------|-------------------|---------|
| Type | Area | Volume | Corrective action | CA Date |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

| Fencing/: | | | | |
|------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| | | | | |

| Equipment: | | | | |
|-------------------|---|-------------------------------|--|-------|
| Type: | # | Satisfactory/Action Required: | | |
| Comment | | | | |
| Corrective Action | | | | Date: |

| Venting: | |
|-----------------|--|
| Yes/No | |
| Comment | |

| Flaring: | | | |
|--------------------|--|------------------------------|----------------------|
| Type | | Satisfactory/Action Required | |
| Comment: | | | |
| Corrective Action: | | | Correct Action Date: |

| Predrill | |
|--|---|
| Location ID: | 444922 |
| Site Preparation: | |
| Lease Road Adeq.: | Pads: Soil Stockpile: |
| S/AR: | |
| Corrective Action: | Date: CDP Num.: |
| Form 2A COAs: | |
| S/AR: | Comment: <input style="width:90%;" type="text"/> |
| CA: | <input style="width:80%;" type="text"/> Date: _____ |
| Wildlife BMPs: | |
| BMP Type | Comment |
| Material Handling and Spill Prevention | RULE 604.c.F: The Operator shall develop a plan to monitor Production Facilities on a regular schedule to identify fluid leaks. There will only be a Wellhead on this location - no tanks or production facility. |

| | |
|--|---|
| Noise mitigation | RULE 604.c.A: Lighting abatement measures shall be implemented, including the installation of lighting shield devices on all of the more conspicuous lights, low density sodium lighting where practicable; and rig shrouding will be used as well as sound walls on the east side during drilling and completion activities to provide noise relief, as the nearest building unit is just over 500' to the east. Permanent equipment on location shall be muffled to reduce noise, or shall be appropriately buffered. |
| Drilling/Completion Operations | RULE 604.c.N: Any material not in use that might constitute a fire hazard shall be removed a minimum of twenty-five (25) feet from the wellhead, tanks and separator. Any electrical equipment installations inside the bermed area shall comply with API RP 500 classifications and comply with the current national electrical code as adopted by the State of Colorado. An emergency response plan has been generated for this site. |
| General Housekeeping | RULE 604.c.P: All surface trash, debris, scrap or discarded material connected with the operations of the property shall be removed from the premises or disposed of in a legal manner. |
| Noise mitigation | RULE 604.c.(2)A: Operations involving pipeline or gas facility installation or maintenance, or the use of a drilling rig, are subject to the maximum permissible noise levels for Light Industrial Zones, as measured at the nearest Building Unit. Short-term increases shall be allowable as described in 802.c. Stimulation or re-stimulation operations and Production Facilities are governed by Rule 802. |
| Construction | RULE 604.c.V: Where possible, operators shall provide for the development of multiple reservoirs by drilling on existing pads or by multiple completions or commingling in existing wellbores (see Rule 322). If any operator asserts it is not possible to comply with, or requests relief from, this requirement, the matter shall be set for hearing by the Commission and relief granted as appropriate. |
| Material Handling and Spill Prevention | RULE 604.c.G: Berms or other secondary containment devices in Designated Setback Locations shall be constructed around crude oil, condensate, and produced water storage tanks and shall enclose an area sufficient to contain and provide secondary containment for one- hundred fifty percent (150%) of the largest single tank. Berms or other secondary containment devices shall be sufficiently impervious to contain any spilled or released material. All berms and containment devices shall be inspected at regular intervals and maintained in good condition. No potential ignition sources shall be installed inside the secondary containment area unless the containment area encloses a fired vessel. Refer to API Bulletin D16: Suggested Procedure for Development of a Spill Prevention Control and Countermeasure Plan. There will only be a Wellhead on this location - no tanks or production facility. |
| Material Handling and Spill Prevention | RULE 604.c.R: All newly installed or replaced crude oil and condensate storage tanks shall be designed, constructed, and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). The operator shall maintain written records verifying proper design, construction, and maintenance, and shall make these records available for inspection by the Director. Only the 2008 version of NFPA Code 30 applies to this rule. This rule does not include later amendments to, or editions of, the NFPA Code 30. NFPA Code 30 may be examined at any state publication depository library. Upon request, the Public Room Administrator at the office of the Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203, will provide information about the publisher and the citation to the material. There will only be a Wellhead on this location - no tanks or production facility. |
| Construction | RULE 604.c.M: Unless otherwise requested by the Surface Owner, well sites constructed within Designated Setback Locations, shall be adequately fenced to restrict access by unauthorized persons. |
| Noise mitigation | Rule 802: Oil and gas operations at any well site, production facility, or gas facility shall comply with the Rule 802 permissible noise levels. |
| Odor mitigation | Per Rule 805: Oil & gas facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare. Dust will be controlled by water spreading. Engine filters will be installed on all exhaust lines. |
| Construction | RULE 604.c.Q: All guy line anchors left buried for future use shall be identified by a marker of bright color not less than four (4) feet in height and not greater than one (1) foot east of the guy line anchor. |
| Construction | RULE 604.c.E: This will be a single well pad. |

| | |
|-------------------|--|
| Traffic control | RULE 604.c.D: If required by the local government, a traffic plan shall be coordinated with the local jurisdiction prior to commencement of move in and rig up. Any subsequent modification to the traffic plan must be coordinated with the local jurisdiction. |
| Final Reclamation | RULE 604.c.U: The operator shall identify the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument. |
| Traffic control | RULE 604.c.S: At the time of construction, all leasehold roads shall be constructed to accommodate local emergency vehicle access requirements, and shall be maintained in a reasonable condition. |
| Final Reclamation | RULE 604.c.T: Within ninety (90) days after a well is plugged and abandoned, the well site shall be cleared of all non-essential equipment, trash, and debris. For good cause shown, an extension of time may be granted by the Director. |

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

| Erosion BMPs | Present | Other BMPs | Present |
|--------------|---------|------------|---------|
| DITCHES | Yes | | |

S/AR: SATISFACTORY

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: Ditch around perimeter of location. Ditch depth varied throughout perimeter. Operator said location was wet making it difficult to install ditch

Other BMPs: _____

| SILT FENCES | Yes | | |
|-------------|-----|--|--|
| | | | |

S/AR: SATISFACTORY

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: May need to inspect and maintain silt fence over time

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: 444921 Type: WELL API Number: 123-42811 Status: XX Insp. Status: CI

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:

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. Waste and Debris removed?
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 marked?
CM CA CA Date
1003b. Area no longer in use? Production areas stabilized ?

Inspector Name: Binschus, Chris

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|---|-----------|------------|
| <p>Stormwater and sediment control BMPs installed around perimeter of location prior to construction. Topsoil stockpile is located about 30m south of well location. Sediment control (silt fence) BMP installed around topsoil stockpile.</p> <p>Refer to photos in Doc.#682400406</p> | binschusc | 02/26/2016 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---------------------|---|
| 682400405 | INSPECTION APPROVED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3794203 |
| 682400406 | Location Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3794202 |