

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:
03/06/2016
Document Number:
680100618
Overall Inspection:
ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>312741</u>	<u>312741</u>	<u>Colby, Lou</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 10150
Name of Operator: BLACK HILLS PLATEAU PRODUCTION LLC
Address: 1515 WYNKOOP ST STE 500
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
Donahue, Jessica	720 210 1333	jessicadonahue@blackhillscorp.com	

Compliance Summary:

QtrQtr: SWSW Sec: 35 Twp: 9s Range: 97w

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
08/21/2015	680100107			ACTION REQUIRED	F		No
12/29/2014	675201014			SATISFACTORY			No

Inspector Comment:

This is a Reclamation and Stormwater focused Inspection. Inspection is being conducted to Document performance of Corrective Actions from Previous Inspection Doc#680100107 dated 8/21/2015. Operator filed Form 42 on 12/17 /2015 stating that "ALL Corrective Actions required by field inspection document # 680100272 have been performed. Date of Completion: 11/15/2015 Site is ready for re-inspection."

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
292430	PIT	CL	08/21/2013		-	FEDERAL 35-2	CL
292452	WELL	PR	08/14/2011	GW	077-09403	Federal 35-2	RI
420488	PIT	AC	11/19/2010		-	HANCOCK GULCH 1	AC

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: <u>1</u>	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>1</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: _____	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
STORAGE OF SUPL	ACTION REQUIRED	Large piles of Poly Flow Line Pipe stored on Location. Storage of Pipe has been noted in Inspections since 2012.	Remove Poly Pipe from Location. CA Date reflects Extension given from original date of 9/30/15 to End of Fall 2015	12/21/2015

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:	312741
Site Preparation:	
Lease Road Adeq.:	Pads: Soil Stockpile: _____
S/AR: _____	

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkod	A closed loop system must be implemented during drilling. Any other pit constructed that will hold any drilling or completion fluids must be lined.	10/21/2010
OGLA	kubeczkod	If the completion/flowback pit is not closed (either drained and/or backfilled) immediately after well completion, then operator must appropriately fence and net the completion/flowback pit, in a timely manner, and maintain the fencing and netting until pit is closed.	11/19/2010
OGLA	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.	10/21/2010
OGLA	kubeczkod	Operator must implement best management practices to contain any unintentional release of fluids.	10/21/2010
OGLA	kubeczkod	Operator must submit a professional engineer (PE) approved/stamped as-built drawing (plan view and cross-sections) of the completion/flowback pit within 14 calendar days of construction.	11/19/2010
OGLA	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; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., BMPs associated with stormwater management) sufficiently protective of the nearby surface water.	10/21/2010
OGLA	kubeczkod	If fluids are conveyed via pipeline, operator must implement best management practices to contain any unintentional release of fluids.	10/21/2010

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

CA: _____ **Date:** _____

Wildlife BMPs:

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

CA: _____ **Date:** _____

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: _____

Inspector Name: Colby, Lou

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: 292452 Type: WELL API Number: 077-09403 Status: PR Insp. Status: RI

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
200318242	SOIL CONTAMINATION	Spry-O'roure, Linda	<p>-----Original Message-----</p> <p>From: jchristi@blm.gov [mailto:jchristi@blm.gov]</p> <p>Sent: Tuesday, June 28, 2011 4:08 PM</p> <p>To: Spry ORourk, Linda</p> <p>Subject: Black Hills 35-2 compliance questions for you</p> <p>Linda, hi. I have a compliance question to discuss with you.</p> <p>I told Black Hills to contact COGCC regarding some reserve pit contents they turned up while digging a new fluids pit in supposedly virgin ground, on an existing pad, on private land (split estate). They are preparing to re-complete a federal well there and need a frac fluids pit.</p> <p>The stuff they turned up was black and stinky, so I told them to segregate it on a liner and cover it, then contact you to mitigate it appropriately, which would include sampling it to your standards. I've told them twice</p>	06/28/2011

(which counts as orders from BLM, in the category of Verbal Warning) but now they're telling me they've sampled it to COGCC standards and concluded on their own that there's no need to contact COGCC. I told them to document all their sampling to me, I thought they probably should fill out forms with you, etc, etc. Am I right? Is this 'pit closure'? Something else? They were actually removing soil to build a new pit, but will be putting it back when the pit is closed.

They didn't notify me when they turned up the contaminated soil (which also contained pieces of old pit liner), although they were aware of it. Until I discovered it during a construction inspection, they were just burying it with the rest of the subsoil coming out of the ground.

API is 050770940300S1
T9S R97W, Sec 35, SWSW
Federal well Shire Gulch 35-2, Lease COC 22503

What do you think about how to pursue this? I'll paste in my inspection notes below.

PS - just as a sidenote, the pad expansion was not constructed to BLM or CDPHE standards, and they're under orders to fix that immediately as well. Fill slopes loose/unstable and steep, insufficient SW BMPs, etc.

~~~~~ Surface Inspection Notes ~~~~~

Black Hills Shire Gulch 35-2, COC22503, expand existing pad for horizontal shale recomplete, JESC, 6/21/11

Pad has been expanded and new frac fluids pit constructed. Approved by Sundry.

Steep loose soil piles and fill slopes in places, lacking SW BMPs (notable at E and NW). Not track walked, seeded or otherwise stabilized.

Large frac water pit under construction. Stained soil and liner pieces (HC smelly) uncovered during pit construction, tho previous pit not located here. Presumably deposited by previous landowner who closed original reserve pit. Black Hills was notified of contaminated soils by construction and SW inspector but did not self-report to BLM or COGCC. Much of the bad soil was removed gradually during construction, mixing with subsoils in soils storage piles.

Julia Verbally Warned that remaining stained soil be removed and segregated. Liner to be installed under and cover installed over, per MB foreman Seely at site. Stan Lindholm of BH was info

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: RANGELAND

Comment: \_\_\_\_\_

1003a. Waste and Debris removed? Pass

CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Unused or unneeded equipment onsite? Fail

CM Refer to Good Housekeeping

CA Refer to Good HouseKeeping CA Date 12/21/2015

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

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? Pass 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? Fail

**RESTORATION AND REVEGETATION**

Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

1003 f. Weeds Noxious weeds? P

Comment: Areas no longer needed for use have not been reclaimed. Large portions of Location are being used for storage. CAs are remove stored pipe & Reclaim areas in Spring 2016. Referto Overall Insp. comments & photos attached.

Overall Interim Reclamation Fail

**Final Reclamation/ Abandoned Location:**

Date Final Reclamation Started: \_\_\_\_\_ Date Final Reclamation Completed: \_\_\_\_\_

Final Land Use: 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Berms            | Pass            |                         |                       |               |                          |         |
| Drains           | Pass            |                         |                       |               |                          |         |
| Seeding          |                 |                         |                       |               |                          |         |

S/A/V: SATISFACTOR Corrective Date: \_\_\_\_\_

Y

Comment: \_\_\_\_\_

CA: \_\_\_\_\_

**Pits:**  NO SURFACE INDICATION OF PIT

| Permit: | Facility ID | Permit Num | Expiration Date |
|---------|-------------|------------|-----------------|
|         | 420488      | 400429810  |                 |
|         | 420488      | 400429810  |                 |
|         | 292430      | 1433717    |                 |
|         | 420488      | 2085757    |                 |

**COGCC Comments**

| Comment | User   | Date       |
|---------|--------|------------|
|         | colbyl | 03/13/2016 |

Inspector Name: Colby, Lou

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |        |            |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|
| <p>Location does not meet reclamation regulations. Areas no longer needed for use, production have not been reclaimed for Interim Reclamation (refer to photos attached). Large piles of black poly pipe are being stored on various areas of location. Corrective Action is to Reclaim storage areas (refer CA in Good Housekeeping) and areas no longer needed for production. Reclamation activities should be completed in Spring 2016 as soon as ground and weather Conditions permit (CA Date remains at Extension given from original CA Date of End of Fall 2015). Besides pipe noted in previous Inspection it appears even more pipe has been moved onto Location. Contact Inspector ASAP with plans for resolution of unexecuted CAs.</p> | colbyl | 03/13/2016 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|

**Attached Documents**

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

| Document Num | Description       | URL                                                                                                                                                                 |
|--------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 680100619    | Inspection Photos | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3804662">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3804662</a> |