

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:
04/01/2016
Document Number:
666802037
Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	436000	436004	Murray, Richard	<input type="checkbox"/>	

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	All Inspections

Compliance Summary:

QtrQtr: Lot 11 Sec: 10 Twp: 6S Range: 92W

Inspector Comment:

New constructed location, No drilling rig on location, Drilling permits expire 8/2017

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
435997	WELL	XX	07/27/2015	LO	045-22326	Valley Farms O 21A-15-06-92	ND	<input checked="" type="checkbox"/>
435998	WELL	XX	07/27/2015	LO	045-22327	Valley Farms O 24B-10-06-92	ND	<input checked="" type="checkbox"/>
435999	WELL	XX	07/27/2015	LO	045-22328	VALLEY FARMS O 14D-10-06-92	ND	<input checked="" type="checkbox"/>
436000	WELL	XX	07/27/2015	LO	045-22329	VALLEY FARMS O 14B-10-06-92	ND	<input checked="" type="checkbox"/>
436001	WELL	XX	07/27/2015	LO	045-22330	VALLEY FARMS O 14C-10-06-92	ND	<input checked="" type="checkbox"/>
436002	WELL	XX	07/27/2015	LO	045-22331	Valley Farms O 24C-10-06-92	ND	<input checked="" type="checkbox"/>
436003	WELL	XX	07/27/2015	LO	045-22332	VALLEY FARMS O 13D-10-06-92	ND	<input checked="" type="checkbox"/>
437974	WELL	XX	07/04/2014	LO	045-22452	VALLEY FARMS O 14A-10-06-92	ND	<input checked="" type="checkbox"/>
443031	WELL	XX	08/27/2015	LO	045-22966	VALLEY FARMS O 34D-10-06-92	ND	<input checked="" type="checkbox"/>
443032	WELL	XX	08/27/2015	LO	045-22967	VALLEY FARMS O 31A-15-06-92	ND	<input checked="" type="checkbox"/>
443033	WELL	XX	08/27/2015	LO	045-22968	VALLEY FARMS O 44B-09-06-92	ND	<input checked="" type="checkbox"/>
443034	WELL	XX	08/27/2015	LO	045-22969	VALLEY FARMS O 44C-09-06-92	ND	<input checked="" type="checkbox"/>

443035	WELL	XX	08/27/2015	LO	045-22970	VALLEY FARMS O 11A-15-06-92	ND	<input checked="" type="checkbox"/>
443037	WELL	XX	08/27/2015	LO	045-22971	VALLEY FARMS O 43D-09-06-92	ND	<input checked="" type="checkbox"/>
443038	WELL	XX	08/27/2015	LO	045-22972	VALLEY FARMS O 43B-09-06-92	ND	<input checked="" type="checkbox"/>
443039	WELL	XX	08/27/2015	LO	045-22973	VALLEY FARMS O 44A-09-06-92	ND	<input checked="" type="checkbox"/>
443040	WELL	XX	08/27/2015	LO	045-22974	VALLEY FARMS O 21C-15-06-92	ND	<input checked="" type="checkbox"/>
443041	WELL	XX	08/27/2015	LO	045-22975	VALLEY FARMS O 43C-09-06-92	ND	<input checked="" type="checkbox"/>

Equipment: Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>18</u>	Production Pits: _____
Condensate Tanks: <u>5</u>	Water Tanks: <u>5</u>	Separators: <u>18</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>1</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: <u>1</u>	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
OTHER	SATISFACTORY	Entrance to location sign		

Emergency Contact Number (S/AR): SATISFACTORY

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: _____
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Comment	
Corrective Action	Date:

Venting:

Yes/No	NO
Comment	

Flaring:

Type	Satisfactory/Action Required
Comment:	
Corrective Action:	Correct Action Date:

Predrill

Location ID: 436000

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

S/AR: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkd	<p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.</p> <p>Operator must ensure 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., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p>	11/26/2013

<p>OGLA</p>	<p>kubeczkd</p>	<p>The moisture content of any 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, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) located on the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to testing surface or buried poly/steel pipelines.</p> <p>Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.</p>	<p>11/26/2013</p>
<p>OGLA</p>	<p>kubeczkd</p>	<p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p> <p>As required for Groundwater Baseline Sampling; Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING:</p>	<p>11/26/2013</p>

S/AR: SATISFACTORY **Comment:** No drilling at time of inspection

CA: **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Planning	<p>-Due to the location of Ursa’s operations, Ursa determined that the Rifle Office will be staffed with a Regulatory and Environmental Manager, and a landman; these positions didn’t exist in the Rifle office under the previous operator. This decision reflects Ursa’s commitment to sound environmental stewardship, and to an increased level of communication with all stakeholders (see below).</p> <ul style="list-style-type: none"> - Ursa typically holds weekly meetings to address new, expanded, or additional wells at an Oil and Gas locations. Once a location is determined feasible, preliminary notifications are made to affected surface owners (see below) as a best management practice (BMP). - Prior to initiation of the Form 2A permitting process, internal onsite are held to determine the feasibility of the location (based on the SUA and landowner preferences), topographic constraints, proximity to building units, and public and environmental concerns including surface waters, traffic/haul routes, 317B applicability, wildlife RSOs and SWH areas, noise potential, soil stability, etc. All information that may affect the location is documented as appropriate in Ursa’s “Site Assessment Checklist and Site Assessment Map” as a BMP. A copy of these internal practices was provided to the COGCC at the Setback Training on August 30, 2013 held in Grand Junction. - Upon approval of the Form 2A, Ursa holds Pre-Construction, Pre-Spud, Pre-Completions and Pre-Production meetings with contractors performing work at the location as determined necessary by the responsible Ursa Operations Manager or Supervisor. As a BMP, Ursa has developed checklists for these meetings to review COAs, NTOs and related issues. - Traffic and Public Safety – Ursa developed a site-specific Emergency Response Plan and Haul Route Map which is communicated to local emergency response agencies and stakeholders, as well as contractors performing work at the location.
Drilling/Completion Operations	<ul style="list-style-type: none"> - DIRECTIONAL DRILLING - Directional / horizontal drilling will be implemented to avoid the need for additional well pads; reducing habitat loss and fragmentation, noise, traffic concerns, etc. - NOISE – Will be monitored to be within acceptable decibel readings. - WASTE - A closed-loop (pitless) drilling system will be used; No cuttings pit will be constructed; cuttings will be hauled to an approved waste facility (see Waste Management Plan Summary – Attachment J(1)). - WATER SAMPLING - Baseline and post drilling water well testing will be performed for permitted water wells in accordance with COGCC Sec 609. - CHEMICAL USE – All chemicals used will be tracked and reported in accordance with COGCC rules and submitted through FracFocus within 120 days of initiating well stimulation. - ODORS - Well completions will utilize flowback completion technologies and/or flares to reduce odors from plug drillout, and venting of salable and non-salable gas - WASTE - No stimulation or flowback pits will be constructed. - WORK HOURS - Completions will typically be conducted during daylight hours.
Community Outreach and Notification	<p>Voluntary Notifications - Once a new or expanded location, or additional wells are proposed, Ursa’s land department contacts the landowner to get an initial approval, prior to formal Pre-application notifications to all affected stakeholders.</p> <ul style="list-style-type: none"> - Once the Form 2A permitting process was initiated all surface owners and owners of building units within 1000 feet of the location were notified by letter with an invitation to meet or discuss the proposal (See Attachment J (2)). - Ursa routinely communicates proposed plans and operations schedules with Community Counts, the GARCO Energy Advisory Board, and Battlement Mesa Concerned Citizens (BMCC), if the proposal or work may affect Battlement Mesa. In addition, periodic stakeholder meetings are held with landowners and affected parties. - Communication with Kirby Wynn and municipal LGDs are also held routinely in addition to communication required by COGCC regulations.

<p>Pre-Construction</p>	<p>MULTI-WELL PAD - The location submittal as proposed will result in the ability to drill 18 wells from a single location and eliminate the need for an additional well pad; hence a reduction in surface disturbance, traffic, and impacts to the environment and wildlife habitat.</p> <ul style="list-style-type: none"> - SAFETY - The location and site layout has been designed to accommodate all operations within the limits of disturbance while meeting Federal and state safety regulations, including required buffers and distances between operating components and combustion sources. - DUST CONTROL - The pad and access road will be graveled to reduce fugitive dust. In addition, water and other dust suppressants are used as required, dependent upon the level of activity, moisture conditions, etc. - INTERIM RECLAMATION - The site will be stabilized using seed mixes and materials compatible with soil types, moisture, and local climate conditions as specified in landowner surface use agreements, or locally acceptable industry practices. Seeding will be completed during optimum conditions to achieve best results for plant growth. - STORMWATER - The location will be constructed in accordance with the CDPHE Stormwater regulations as implemented by Ursa's Stormwater Management Plan, so as to control sediment run-off. Stormwater BMPs may also serve as secondary or tertiary containment in the event of a spill. Site specific plans (i.e. diagrams) will be developed and inspected against the frequency required by CDPHE regulations, to include 14 day, 30 day, and major storm event inspections until 70% reclamation is achieved. Corrective actions will be tracked and implemented. COGCC inspections will be conducted through 80% interim reclamation and annually thereafter. These inspections are also tracked and corrective actions implemented. Native soils will be used whenever available to construct stormwater BMPs, supplemented by non-native materials based on site-specific conditions. - WASTE - The location will be managed in accordance with Ursa's Waste Management Plan as summarized in Attachment J(1) of this application. The location will be constructed to minimize the potential for any exploration and production wastes, chemicals, fluids, etc. from leaving the location, including berms, barriers, and use of spill control materials.
<p>Odor mitigation</p>	<ul style="list-style-type: none"> - ODORS - Combustor controls will be used to mitigate odors from production tanks. - SPILL PREVENTION – Spills will be managed in accordance with Ursa's SPCC plan including prevention, spill containment and monthly inspections. High level alarms will be installed on production tanks. - VISUAL IMPACTS - Above-ground facilities (e.g. production tanks) will be managed to minimize visual effects (e.g. painted to blend with environment) - REMOTE MONITORING - Remote monitoring will be used to reduce truck traffic, fugitive dust to the extent practical. - WATER LINES - Water pipeline infrastructure will be installed concurrently with the gas pipeline infrastructure where possible. No water infrastructure currently exists.

S/IAR: SATISFACTORY **Comment:** BMPs in place

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:

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: 435997 Type: WELL API Number: 045-22326 Status: XX Insp. Status: ND

Facility ID: 435998 Type: WELL API Number: 045-22327 Status: XX Insp. Status: ND

Facility ID: 435999 Type: WELL API Number: 045-22328 Status: XX Insp. Status: ND

Facility ID: 436000 Type: WELL API Number: 045-22329 Status: XX Insp. Status: ND

Facility ID: 436001 Type: WELL API Number: 045-22330 Status: XX Insp. Status: ND

Facility ID: 436002 Type: WELL API Number: 045-22331 Status: XX Insp. Status: ND

Facility ID: 436003 Type: WELL API Number: 045-22332 Status: XX Insp. Status: ND

Facility ID: 437974 Type: WELL API Number: 045-22452 Status: XX Insp. Status: ND

Facility ID: 443031 Type: WELL API Number: 045-22966 Status: XX Insp. Status: ND

Facility ID: 443032 Type: WELL API Number: 045-22967 Status: XX Insp. Status: ND

Facility ID: 443033 Type: WELL API Number: 045-22968 Status: XX Insp. Status: ND

Facility ID: 443034 Type: WELL API Number: 045-22969 Status: XX Insp. Status: ND

Facility ID: 443035 Type: WELL API Number: 045-22970 Status: XX Insp. Status: ND

Facility ID: 443037 Type: WELL API Number: 045-22971 Status: XX Insp. Status: ND

Facility ID: 443038 Type: WELL API Number: 045-22972 Status: XX Insp. Status: ND

Facility ID: 443039 Type: WELL API Number: 045-22973 Status: XX Insp. Status: ND

Facility ID: 443040 Type: WELL API Number: 045-22974 Status: XX Insp. Status: ND

Facility ID: 443041 Type: WELL API Number: 045-22975 Status: XX Insp. Status: ND

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): N

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? Pass

CM _____

CA _____ CA Date _____

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

CM _____

CA _____ CA Date _____

Guy line anchors marked? Pass

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

Inspector Name: Murray, Richard

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: 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
		Ditches	Pass			
Gravel	Pass					
Rip Rap	Pass					
		Culverts	Pass			
Berms	Pass					
Ditches	Pass					
Slope Roughening	Pass					
		Gravel	Pass			

S/A/V: SATISFACTOR _____ Corrective Date: _____
Y

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT