

**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:

04/04/2016

Document Number:

685300283

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	263014	306752	St John, William (Cal)	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 100264Name of Operator: XTO ENERGY INCAddress: 382 CR 3100City: AZTEC State: NM Zip: 87410

- ☐ 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
Trobaugh, Robert	505-333-3185	robert_trobaugh@xtoenergy.com	SW Inspection Reports
Harrison, Lyndon	505-333-3100	lyndon_harrison@xtoenergy.com	SW Inspection Reports
Hixon, Logan	505-386-8018	logan_hixon@xtoenergy.com	SW EHS Tech
Labowskie, Steve		steve.labowskie@state.co.us	COGCC

Compliance Summary:QtrQtr: SWSW Sec: 8 Twp: 32N Range: 6W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
02/19/2014	667700278	TA	TA	ALLEGED VIOLATION	I		Yes
10/01/2008	200196150	PR	PR	SATISFACTORY			No

Inspector Comment:

Well status is reflected as SI. Based on documents in well file the well status should be AC. See document number 1335550 dated 6/18/2002.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
263014	WELL	SI	10/01/2014	OBW	067-08699	PENROSE 1RX	AO	<input checked="" type="checkbox"/>
265128	PIT	AC	11/06/2002		-	PENROSE #1RX	AC	<input type="checkbox"/>
441429	WELL	XX	04/03/2015	LO	067-09929	PENROSE 2-8H	CI	<input checked="" type="checkbox"/>
441565	WELL	XX	04/22/2015	LO	067-09932	PENROSE 3-8H	CI	<input checked="" type="checkbox"/>

Equipment:Location Inventory

Inspector Name: St John, William (Cal)

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>3</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: <u>2</u>	Electric Motors: _____
Gas or Diesel Mortors: <u>2</u>	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: <u>2</u>
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
Access	SATISFACTORY			

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY			

Emergency Contact Number (S/AR): SATISFACTORY Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	SATISFACTORY	Location is under construction and being enlarged for drilling of 2 proposed wells Penrose 2-8H and 3-8H.		

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
WELLHEAD	SATISFACTORY	6ft Chain Link topped with Barbwire		
LOCATION	SATISFACTORY	Post and wire		

Equipment:				
Type: Ancillary equipment	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment	Wellhead			
Corrective Action				Date:
Type: Deadman # & Marked	# 0	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:

Venting:

Yes/No	NO
Comment	

Flaring:

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

Predrill

Location ID: 263014

Site Preparation:

Lease Road Adeq.: SATISFACTORY

Pads: SATISFACTORY

Soil Stockpile: SATISFACTORY

S/AR: SATISFACTORY

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkd	<p>The moisture content of drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts.</p> <p>If the wells are to be hydraulically stimulated, flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or storage vessel 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 constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.</p>	03/20/2015
Permit	colerl	Operator shall comply with Buffer Zone Move-In, Rig-Up Notice Rule 305.h (effective 9/30/2014).	03/19/2015
OGLA	kubeczkd	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.	03/20/2015
OGLA	kubeczkd	<p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations (as shown on the Proposed BMPs attachment); 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 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 [per CDPHE requirements] and after significant precipitation events), and maintained in good condition.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p>	03/20/2015
OGLA	kubeczkd	Notify the COGCC 48 hours prior to start of pad reconstruction/regrading, rig mobilization, spud, pipeline testing, start of hydraulic stimulation operations, start of flowback operations (if different than hydraulic stimulation operations), and pipeline testing using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).	03/20/2015

S/AR: _____ **Comment:** _____**CA:** _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Wildlife	<p>The Penrose 2-8H & 3-8H will be drilled on an expanded existing well pad to reduce surface disturbance impacts.</p> <p>A closed-loop mud system will be used during drilling operations.</p> <p>Surface equipment that could be potentially damaging to wildlife will be fenced with livestock fence panels. Prevents wildlife entry to potentially harmful equipment.</p> <p>The access road will be gated in order to restrict general public access.</p> <p>All fired vessel and heat transfer stacks, vents or other openings shall be equipped with screens or other appropriate equipment to prevent entry by wildlife, including migratory birds.</p> <p>Do not place staging, refueling, or chemical storage areas within 100 feet of mapped riparian zones and floodplains.</p> <p>Construction, drilling and completion activities will be scheduled to avoid critical winter use periods for deer and elk from December 1 - April 15. During post-drilling operations, the operator will make good faith efforts to minimize the number of well visits during this critical winter use period.</p> <p>Recycle drilling fluids: Mud systems are dewatered, recycled and water is reused during drilling operations, reducing the amount of water needed to be trucked for drilling operations. Mud can be transported to next drilling location, reducing truck traffic to dispose of drilling fluids.</p> <p>Adhere to the developed weed management plan pursuant to both the La Plata County Land Use Code and Colorado Noxious Weed Act. Protects the productivity of adjacent wildlife habitats.</p> <p>Seed mix will be determined by Surface Owner.</p> <p>Educate employees and contractors on wildlife conservation practices, including no harassment or feeding of wildlife.</p> <p>Forbid use of firearms and dogs on location.</p> <p>Utilize bear proof dumpsters and trash receptacles for food related trash at all facilities that generate such trash.</p>
Construction	<p>Certificate to Discharge Under CDPS General Permit No. COR-03000 Stormwater Discharges Associated with Construction. Certification No. COR03C483</p> <ul style="list-style-type: none"> • A Field Wide Stormwater Management Plan (SWMP) for the La Plata Infill Program is on file at the XTO Energy Inc. (72 Suttle Street, Suite J, Durango, CO, 81303) office. A Site Specific SWMP including a Site Plan will be developed for each location. • Spill Prevention, Control and Countermeasures (SPCC) for the La Plata Infill Program is on file at the XTO Energy Inc. (72 Suttle Street, Suite J, Durango, CO, 81303) office. The Field Wide and Site Specific SWMPs each address SPCC during construction operations. See attached diagram for site specific BMPs. • Inspections of the project site and maintenance of installed BMP's shall be conducted in accordance with the CDPHE CDPS permit and field wide plan. • The attached Table 1 lists BMP's which may be utilized during the construction phase and in development of the Site Specific SWMP. BMP selection is based on site specific conditions including topography, existing vegetation, timing, construction sequencing, etc. • The attached Table 1 lists BMP's which may be utilized during the construction phase and in development of the Site Specific SWMP. BMP selection is based on site specific conditions including topography, existing vegetation, timing, construction sequencing, etc.

- A. Noise - Sound mitigation will be added to the pump jacks and production equipment in order to comply with the residential/agricultura/rural requirements in Rule 802. Drilling, completion, workover, and construction operations will also comply with Rule 802.
- B. Closed Loop Drilling Systems - A closed loop drilling system will be used. Fresh water pits are not planned.
- C. Green Completions - Emission Control Systems - Pipelines and production equipment, including burning flares, capable of supporting green completions will be used.
- D. Traffic Plan - Access is from CR 328. Operator will comply with any La Plata County traffic control measures required for this well. Access road will be built and maintained for all weather use and be able to accommodate local emergency vehicle access requirements.
- E. Multiwell Pads - Multiple wells will be drilled from this pad in order to minimize surface disturbance and impacts to wildlife. No other pad will be necessary to develop the Fruitland Coal in the 320 acre spacing unit being developed by these wells.
- F. Leak Detection Plan - Pipelines will be pressure tested prior to use and wells will be monitored daily.
- G. Berms will be constructed with a corrugated steel containment berm with poly liner and will be large enough to contain 150% of the largest single tank.
- H. Blow preventer Equipment (BOPE) - BOPE equipment will consist of a double ram with blind ram and pipe ram.
- I. BOPE testing for drilling operations - BOPE will be pressured tested upon initial rig up and at least once every 30 days during drilling operations.
- J. BOPE for well servicing operations - Adequate blowout prevention equipment will be used on all well servicing operations.
- K. Pit level Indicators - Pit level indicators will be used.
- L. Drill stem tests - No drill stem tests will be performed.
- M. Fencing requirements - Fencing will be placed around all equipment with moving parts and will be designed and constructed to keep wildlife away from the equipment.
- N. Control of Fire Hazards - Any material not in use that might constitute a fire hazard shall be removed a minimum of 25 feet from the wellhead, tanks, and separators. 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.
- O. Loadlines - Loadlines will be bullplugged or capped.
- P. Removal of Surface trash - All surface trash, debris, scrap or discarded material connected with the operations of the property will be removed from the premises and disposed of in a legal manner.
- Q. Guy line Anchors - Guy line anchors will be identified by a marker of bright color not less than 4 feet in height and not greater than one foot east of the guy line anchor.
- R. Tank specifications - No crude oil or condensate storage tanks will be used.
- S. Access roads - Access road will be built and maintained for all weather use and be able to accommodate local emergency vehicle access requirements.
- T. Well site cleared - Within 90 days after the wells are plugged and abandoned the well site shall be cleared of all nonessential equipment, trash, and debris.
- U. Identification of plugged and abandoned wells - Upon plugging and abandoning the well the location of the wellbore shall be marked with a permanent monument as specified in Rule 319.a (5).
- V. Development from existing well pads - Development from existing well pads is not feasible due to directional drilling constraints, lack of access, and lack of subsurface rights.
- W. Site Specific Measures - None.

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

CA: _____ **Date:** _____

Comment: Location is under construction and being enlarged for the not yet drilled Penrose 2-8H and 3-8H wells. Additional Storm Water BMP's are being installed to control storm water and possible soil erosion.

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Inspector Name: St John, William (Cal)

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: 263014 Type: WELL API Number: 067-08699 Status: SI Insp. Status: AO

Producing Well

Comment: Well is monitoring well based on 02/27/2002 approval. Current status is reflected as SI.

Facility ID: 441429 Type: WELL API Number: 067-09929 Status: XX Insp. Status: CI

Cement

Cement Contractor

Contractor Name: _____ Contractor Phone: _____

Surface Casing

Cement Volume (sx): _____ Circulate to Surface: _____

Cement Fall Back: _____ Top Job, 1" Volume: _____

Intermediate Casing

Cement Volume (sxs): _____ Good Return During Job: _____

Production Casing

Cement Volume (sx): _____ Good Return During Job: _____

Plugging Operations

Depth Plugs(feet range): _____ Cement Volume (sx): _____

Good Return During Job: _____ Cement Type: _____

Comment: _____

Idle Well

Purpose: ☐ Shut In ☐ Temporarily Abandoned Reminder: _____

S/A/V: _____ CA Date: _____

CA: _____

Comment: _____

Facility ID: 441565 Type: WELL API Number: 067-09932 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:

		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: OTHER, RANGELAND, TIMBER

Comment: Location being enlarged to accommodate drilling rig and associated equipment.

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 ? _____

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 REVEGETATIONCropland

Top soil replaced _____

Recontoured _____

Perennial forage re-established _____

Non-Cropland

Inspector Name: St John, William (Cal)

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
Berms	Pass	Compaction	Pass			
Waddles	Pass					
Silt Fences	Pass					
Compaction	Pass	Gravel	Pass			
Gravel	Pass					

S/A/V: SATISFACTOR
Y

Corrective Date: _____

Comment: Location being enlarged to accommodate drilling rig and associated equipment.

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

Permit:	Facility ID	Permit Num	Expiration Date
	265128	1120141	
	265128	1120141	