

**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:

671000305

Overall Inspection:

**ACTION REQUIRED****FIELD INSPECTION FORM**

|                     |             |        |                 |                          |             |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection       | 2A Doc Num: |
|                     | 422420      | 422420 | LUJAN, CARLOS   | <input type="checkbox"/> |             |

**Operator Information:**OGCC Operator Number: 10433Name of Operator: LARAMIE ENERGY LLCAddress: 1401 SEVENTEENTH STREET #1400City: 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                      |
|-----------------|----------------|------------------------------|------------------------------|
| Spencer, Stan   |                | stan.spencer@state.co.us     | EPS, NW Region               |
| Fischer, Alex   |                | alex.fischer@state.co.us     | Environmental Supervisor, NW |
| Prescott, Lorne | (970) 812-5311 | lprescott@laramie-energy.com | Enviro Piceance/Laramie      |
| Lujan, Carlos   |                | carlos.lujan@state.co.us     | EPS, NW Region               |

**Compliance Summary:**QtrQtr: NWNW Sec: 17 Twp: 9S Range: 94W

| Insp. Date | Doc Num   | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 12/22/2015 | 675202336 |            |             | SC                            |          |                | No              |
| 07/18/2014 | 675200256 |            |             | SATISFACTORY                  |          |                | No              |

**Inspector Comment:**

Inspection conducted in response to a spill, mostly contained in the tanks secondary containment. Focus was on environmental issues. Present onsite Lorne Prescott from Laramie Energy and Carlos Lujan, COGCC. Sunny and cool (45 oF approx). 6.5 bbls of produced water left secondary containment onto pad location. 1.5 bbls migrated downhill to stormwater catch basin. No junk or weed was observed on site. Tanks labeled. Tanks with metallic secondary containment and lined.

**Related Facilities:**

| Facility ID | Type             | Status | Status Date | Well Class | API Num   | Facility Name       | Insp Status |
|-------------|------------------|--------|-------------|------------|-----------|---------------------|-------------|
| 423243      | WELL             | XX     | 05/19/2011  | LO         | 077-10158 | Hawxhurst 08-13C    | XX          |
| 423247      | WELL             | PR     | 05/06/2014  | GW         | 077-10159 | Hawxhurst 17-05B    | PR          |
| 423252      | WELL             | PR     | 05/02/2014  | GW         | 077-10160 | Hawxhurst 17-03C    | PR          |
| 445293      | SPILL OR RELEASE | AC     | 03/30/2016  |            | -         | SPILL/RELEASE POINT | AC          |

**Equipment:****Location Inventory**

Inspector Name: LUJAN, CARLOS

|                              |                         |                      |                          |
|------------------------------|-------------------------|----------------------|--------------------------|
| Special Purpose Pits: _____  | Drilling Pits: _____    | Wells: <u>21</u>     | Production Pits: _____   |
| Condensate Tanks: <u>11</u>  | Water Tanks: <u>11</u>  | Separators: <u>6</u> | Electric Motors: _____   |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____     | LACT Unit: _____     | Pump Jacks: _____        |
| Electric Generators: _____   | Gas Pipeline: <u>1</u>  | Oil Pipeline: _____  | Water Pipeline: <u>1</u> |
| Gas Compressors: _____       | VOC Combustor: <u>1</u> | Oil Tanks: _____     | Dehydrator Units: _____  |
| Multi-Well Pits: _____       | Pigging Station: _____  | Flare: _____         | Fuel Tanks: _____        |

|                        |
|------------------------|
| <b><u>Location</u></b> |
|------------------------|

|                           |                              |         |                   |      |
|---------------------------|------------------------------|---------|-------------------|------|
| <b><u>Lease Road:</u></b> |                              |         |                   |      |
| Type                      | Satisfactory/Action Required | comment | Corrective Action | Date |
|                           |                              |         |                   |      |

|                             |                              |         |                   |         |
|-----------------------------|------------------------------|---------|-------------------|---------|
| <b><u>Signs/Marker:</u></b> |                              |         |                   |         |
| Type                        | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|                             |                              |         |                   |         |

Emergency Contact Number (S/AR): \_\_\_\_\_ Corrective Date: \_\_\_\_\_

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

Corrective Action: \_\_\_\_\_

|                                  |                              |         |                   |         |
|----------------------------------|------------------------------|---------|-------------------|---------|
| <b><u>Good Housekeeping:</u></b> |                              |         |                   |         |
| Type                             | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|                                  |                              |         |                   |         |

|                       |      |        |                   |         |
|-----------------------|------|--------|-------------------|---------|
| <b><u>Spills:</u></b> |      |        |                   |         |
| Type                  | Area | Volume | Corrective action | CA Date |
|                       |      |        |                   |         |

☐ Multiple Spills and Releases?

|                         |                              |         |                   |         |
|-------------------------|------------------------------|---------|-------------------|---------|
| <b><u>Fencing/:</u></b> |                              |         |                   |         |
| Type                    | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|                         |                              |         |                   |         |

|                          |   |                               |  |       |
|--------------------------|---|-------------------------------|--|-------|
| <b><u>Equipment:</u></b> |   |                               |  |       |
| Type:                    | # | Satisfactory/Action Required: |  |       |
| Comment                  |   |                               |  |       |
| Corrective Action        |   |                               |  | Date: |

|                        |  |
|------------------------|--|
| <b><u>Venting:</u></b> |  |
| Yes/No                 |  |
| Comment                |  |

|                        |                              |                      |  |
|------------------------|------------------------------|----------------------|--|
| <b><u>Flaring:</u></b> |                              |                      |  |
| Type                   | Satisfactory/Action Required |                      |  |
| Comment:               |                              |                      |  |
| Corrective Action:     |                              | Correct Action Date: |  |

**Predrill**

Location ID: 422420

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_

Pads: \_\_\_\_\_

Soil Stockpile: \_\_\_\_\_

**S/AR:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_

Date: \_\_\_\_\_

CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

| Group  | User      | Comment  | Date       |
|--------|-----------|--|------------|
| OGLA   | kubeczkod | <p>GENERAL SITE COAs:</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried pipelines.</p> <p>A closed loop system (as indicated by operator on the Form 2A) must be implemented, otherwise, Any pit constructed to hold fluids (reserve pit, production pit, frac pit; except for flare pit, if built) must be lined.</p> <p>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., 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>Flowback and stimulation fluids must be sent to tanks to allow the sand to settle out before the fluids can be placed into any pipeline or pit located on the well pad. The flowback and stimulation fluid tanks 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 (per Rule 604.a.(4)).</p> <p>Berms or other containment devices shall be constructed in compliance with Rule 604.a.(4) around crude oil, condensate, and produced water storage tanks.</p> <p>The location is in an area of high run off/run-on potential (steep grade to the west) and underlain by fine grained loams; therefore the pad shall be constructed to prevent any stormwater run-on and/or stormwater runoff. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff.</p> <p>The access road will be constructed 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>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.</p> | 03/28/2011 |
| Permit | sharpd    | Operator timing on application to change well spacing has been requested. Present 160 acre spacing units preclude 21 well drilling package.  | 03/11/2011 |

|      |          |  |            |
|------|----------|--|------------|
| OGLA | kubeczko | Initiated/Completed OGLA Form 2A review on 03-28-11 by Dave Kubeczko; requested acknowledgement of fluid containment, spill/release BMPs, lined pits/closed loop, flowback to tanks, tank berming, sediment control access and pad, and cuttings low moisture content COAs from operator on 03-28-11; received acknowledgement of COAs from operator on 03-?-10; passed by CDOW on 03-08-11 with operator submitted BMPs (with permit application) and WMP acceptable; passed OGLA Form 2A review on 03-29-11 by Dave Kubeczko; fluid containment, spill/release BMPs, lined pits/closed loop, flowback to tanks, tank berming, sediment control access and pad, and cuttings low moisture content COAs. | 03/28/2011 |
|------|----------|--|------------|

S/AR: \_\_\_\_\_ Comment: \_\_\_\_\_

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

**Wildlife BMPs:**

| BMP Type                    | Comment   |
|-----------------------------|---|
| Storm Water/Erosion Control | CDPHE Stormwater Permit No. COR03G719 effective 8/17/2010 |
| Wildlife                    | WMP signed with DOW 01-11-2011.                           |

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: \_\_\_\_\_

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: 0 Type: \_\_\_\_\_ API Number: - Status: \_\_\_\_\_ Insp. Status: \_\_\_\_\_

**Environmental****Spills/Releases:**

Type of Spill: FLUID Description: Produced water Estimated Spill Volume: 6.5

Comment: Fluid leaked due to compromised secondary containment. Laramie was in the process of assessing compromised liner and making repairs. Analytical results from catchment basin and pad showed that only SAR was above Table 910-1 values. Laramie must reassess SAR values when time comes to close the pad and to complete reclamation.

Inspector Name: LUJAN, CARLOS

|  |  |  |
|--|--|--|
| Corrective Action: <span style="border: 1px solid red; padding: 2px;">Notify the COGCC of actions taken to repair the liner in secondary containment.</span> |  | Date: <span style="border: 1px solid red; padding: 2px;">04/29/2016</span> |
| Reportable: <u>YES</u>   | GPS: Lat _____                                     | Long _____   |
| Proximity to Surface Water: <u>2600</u>  | Depth to Ground Water: _____                       |  |
| <b><u>Water Well:</u></b>  |  |  |
| DWR Receipt Num: _____   | Owner Name: _____                                  | GPS : _____  |
| <b><u>Field Parameters:</u></b>  |  |  |
| Sample Location: _____   |  |  |
| Emission Control Burner (ECB): _____   |  |  |
| Comment: _____   |  |  |
| Pilot: _____   | Wildlife Protection Devices (fired vessels): _____ |  |
| <b><u>Reclamation - Storm Water - Pit</u></b>  |  |  |
| <b><u>Interim Reclamation:</u></b>   |  |  |
| Date Interim Reclamation Started: _____  |  | Date Interim Reclamation Completed: _____                                  |
| Land Use: <u>HAY MEADOW, IRRIGATED</u>   |  |  |
| Comment: _____   |  |  |
| 1003a. Waste and Debris removed? _____   |  |  |
| CM _____   |  | CA Date _____  |
| Unused or unneeded equipment onsite? _____   |  |  |
| CM _____   |  | CA Date _____  |
| Pit, cellars, rat holes and other bores closed? _____  |  |  |
| CM _____   |  | CA Date _____  |
| Guy line anchors marked? _____   |  |  |
| CM _____   |  | 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? _____                                 |
| <b>RESTORATION AND REVEGETATION</b>  |  |  |
| <b><u>Cropland</u></b>   |  |  |
| Top soil replaced _____  | Recontoured _____                                  | Perennial forage re-established _____                                      |
| <b><u>Non-Cropland</u></b>   |  |  |

Inspector Name: LUJAN, CARLOS

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: HAY MEADOW, IMPROVED PASTURE, 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

**Attached Documents**

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

| Document Num | Description                                | URL   |
|--------------|--|---|
| 671000306    | Hawxhurst well and Sign                    | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3831885">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3831885</a> |
| 671000307    | Secondary containment after removing fluid | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3831886">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3831886</a> |
| 671000308    | bermed pad and catch basin below           | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3831887">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3831887</a> |