

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:
04/19/2016
Document Number:
678300329
Overall Inspection:
ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|-------------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>435288</u> | <u>331349</u> | <u>GINTAUTAS, PETER</u> | <input type="checkbox"/> | |

Operator Information:

OGCC Operator Number: 47120
Name of Operator: KERR MCGEE OIL & GAS ONSHORE LP
Address: P O BOX 173779
City: DENVER State: CO Zip: 80217-

- 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 |
|--------------|-------|-------------------------------|---------|
| | | COGCCinspections@Anadarko.com | |
| , Reddy | | luke.reddy@anadarko.com | |

Compliance Summary:

QtrQtr: NWNW Sec: 22 Twp: 2N Range: 67W

Inspector Comment:

tank battery not on location and not inspected during at this time

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------------------|--------|-------------|------------|-----------|---------------------|-------------|-------------------------------------|
| 260676 | WELL | PR | 10/03/2005 | GW | 123-20536 | HSR-DEEPE 4-22 | EI | <input type="checkbox"/> |
| 435287 | WELL | PR | 12/20/2014 | OW | 123-38561 | DEEPE 13N-27HZ | EI | <input checked="" type="checkbox"/> |
| 435288 | WELL | PR | 12/25/2014 | OW | 123-38562 | DEEPE 34C-27HZ | EI | <input checked="" type="checkbox"/> |
| 435289 | WELL | PR | 02/06/2015 | OW | 123-38563 | DEEPE 35C-27HZ | EI | <input checked="" type="checkbox"/> |
| 437361 | SPILL OR RELEASE | CL | | | - | SPILL/RELEASE POINT | EI | <input checked="" type="checkbox"/> |
| 445457 | SPILL OR RELEASE | AC | | | - | SPILL/RELEASE POINT | EI | <input checked="" type="checkbox"/> |

Equipment:

Location Inventory

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: <u>4</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: _____ | Separators: _____ | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: <u>3</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 |
| | | | | |

| 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 |
| | | | | |

| 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 | | | |

| Equipment: | | | | |
|--------------------|-----|--|--|-------|
| Type: Plunger Lift | # 3 | 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: 435288

Site Preparation:

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

S/AR: _____

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

Form 2A COAs:

S/AR: _____ Comment: _____

CA: _____

Date: _____

Wildlife BMPs:

| BMP Type | Comment |
|--------------------------------|---|
| Construction | 604c.(2).M. Fencing Requirements: The completed wellsites will be surrounded with a fence and gate with adequate lock to restrict access to authorized personnel only. KMG personnel will monitor the wellsites regularly upon completion of the wells. Authorized representatives and/or KMG personnel shall be on-site during drilling and completion operations. |
| Planning | 604c.(2).S. Access Roads: KMG will utilize a lease access road from Weld County Road 20 for drilling operations and maintenance equipment. The road will be properly constructed and maintained to accommodate for local emergency vehicle access. Water will be placed on dirt access roads to mitigate dust. Magnesium chloride will be used as needed on access roads to further abate dust. |
| General Housekeeping | 604c.(2).P. Removal of Surface Trash: A commercial size trash bin for removing debris will be located on site. This bin will be for use by all parties affiliated with the operation. |
| Drilling/Completion Operations | 604c.(2).B. Closed Loop Drilling System: KMG will use a closed loop or "pitless" system for drilling and fluid management and will not construct a reserve pit. |
| Planning | 604c.(2).R. Tank Specifications: Two 500 barrel skid mounted frac tanks will be temporarily placed on-site for use of the pre-spud rig only. One tank will store water and the other will store water based mud. |
| Traffic control | 604c.(2).D. Traffic Plan: If required by the local government, a traffic plan will be coordinated with the local jurisdiction prior to commencement of operations. |
| General Housekeeping | 604c.(2).O. Loadlines: All loadlines shall be bullplugged or capped. |
| Planning | 604c.(2).V. Development From Existing Well Pads: KMG will locate the three new horizontal wells on the existing Deepe 4-22 well pad to reduce the amount of surface disturbance. |
| Noise mitigation | 604c.(2).A. Noise: Sound mitigation barriers (hay bales) will be placed along the northern and western sides of the pad location to damper noise during drilling and completions to the nearby residence and to Weld County Roads 19 and 20. Sound surveys that have been conducted on each rig type are utilized to anticipate any additional noise mitigation once a drilling rig is determined. |
| Final Reclamation | 604c.(2).U. Identification of Plugged and Abandoned Wells: Pursuant to rule 319.a.(5)., once the well has been plugged and abandoned, KMG will identify the location of the wellbore with a permanent monument that will detail the well name and date of plugging. |
| Planning | 604c.(2).Q. Guy Line Anchors: Should guy line anchors be left buried for future use, they shall be identified by a bright marker greater than four (4) feet high and no more than one (1) foot east of the guy line anchor. |
| Planning | 604c.(2).E. Multiwell Pads: In order to reduce surface impact, this 2A application is for a three-well pad. |
| Final Reclamation | 604c.(2).T. Well Site Cleared: The wellsite will be cleared of all non-essential equipment within ninety (90) days after all wells associated with the pad have been plugged and abandoned. |
| Drilling/Completion Operations | 604c.(2).K. Pit Level Indicators: All mud tanks (used in lieu of pits) contain pit level monitors with Electronic Drilling Recorders (EDR). KMG uses EDRs with pit level monitor(s) and alarm(s) for production rigs. Basic level gages are used on tanks utilized for the surface rig. |
| Drilling/Completion Operations | 604c.(2).H. BOPE: Our rigs at a minimum will have a double ram with blind and pipe ram; and annular preventer. |
| Planning | 604c.(2).W. Site-specific Measures: KMG maintains a Stormwater Management Plan that assesses erosion control for every KMG operated location. This well pad will be added to this plan once construction begins. This plan is updated every fourteen (14) days and after any major weather event. |
| Drilling/Completion Operations | 604c.(2).J. BOPE for Well Servicing Operations: Blowout prevention equipment will be used on any servicing operations associated with this well. Backup stabbing valves will be used during any future servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation using low-pressure air and high-pressure fluid. |

| | |
|--|--|
| Material Handling and Spill Prevention | 604c.(2).N. Control of Fire Hazards: KMG and its contractors will employ best management practices during the drilling and production of its wells and facilities and will comply with appropriate COGCC rules concerning safety and fire. KMG will ensure that any material that might be deemed a fire hazard will remain no less than twenty-five (25) feet from the wellhead(s), tanks and separator(s). |
| Drilling/Completion Operations | 604c.(2).L. Drill Stem Tests: No drill stem tests are planned and none will be performed without prior approval from the director. |
| Drilling/Completion Operations | 604c.(2).I. BOPE Testing for Drilling Operations: Upon initial rig-up, BOPE's will be tested at a minimum of every 30 days. |

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: 435287 Type: WELL API Number: 123-38561 Status: PR Insp. Status: EI

Facility ID: 435288 Type: WELL API Number: 123-38562 Status: PR Insp. Status: EI

Facility ID: 435289 Type: WELL API Number: 123-38563 Status: PR Insp. Status: EI

Facility ID: 437361 Type: SPILL OR API Number: - Status: CL Insp. Status: EI

Facility ID: 445457 Type: SPILL OR API Number: - Status: AC Insp. Status: EI

Environmental

Spills/Releases:

Type of Spill: OIL Description: _____ Estimated Spill Volume: _____

Comment: spill reported by form 19 on 04/08/2016 (spill 445457) and still open

Corrective Action: spill reported and in process of site investigation and remediation at time of inspection Date: 04/25/2016

Reportable: YES NO 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: RANGELAND
 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 ? _____
 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 _____

Inspector Name: GINTAUTAS, PETER

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

S/A/V: **ACTION REQUIRED**

Corrective Date: **05/24/2016**

Comment: **see photos of soils stockpiles with no BMPs to prevent migration od sediment**

CA: **Install or repair required BMPs per Rule 1002.f. Refer to the 1002.f guidance document for further details.**

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|---|----------|------------|
| HSR Deepe well has been pluigged and abandoned | gintautp | 04/25/2016 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---|---|
| 678300330 | soils stock piles | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3839937 |
| 678300331 | soils stock pile near construction area | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3839938 |