

**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:

04/14/2016

Document Number:

680600564

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection
	441565	306752	ROY, CATHERINE	<input type="checkbox"/> 2A Doc Num: _____

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
Harrison, Lyndon		lyndon_harrison@xtoenergy.com	
Hixon, Logan	(505) 386-8018	logan_hixon@xtoenergy.com	
Trobaugh, Robert	505-333-3185	robert_trobaugh@xtoenergy.com	All Inspections

Compliance Summary:QtrQtr: SWSW Sec: 8 Twp: 32N Range: 6W**Inspector Comment:**This is a new construction and stormwater inspection. Well pad has recently been expanded to accomodate two additional permitted wells.**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	CI	<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

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

Inspector Name: ROY, CATHERINE

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
DEBRIS	ACTION REQUIRED	Cement debris is present along the southeastern and southwestern edges of the project area.	Remove cement debris.	05/31/2016

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: 441565			
Site Preparation:			
Lease Road Adeq.:	Pads:	Soil Stockpile:	ACTION REQUIRED
S/AR: _____			
Corrective Action:		Date:	05/13/2016
		CDP Num.:	

No topsoil stockpile was observed. Indicate to area reclamation specialist via Form 42 where topsoil is stockpiled and how it is being protected.

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
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
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	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
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

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:** _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
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S/AR: ACTION
REQUIRED

Corrective Action: Maintain silt fence and wattles along pipeline alignment. Long term erosion controls need to be applied to the well pad cut and fill slopes if interim reclamation will not be commenced until after second permitted well is drilled.

Date: 05/31/201
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Comments: Erosion BMPs: Sediment control BMPs including silt fence and wattles along pipeline alignment need maintenance. Long term erosion controls including seeding, mulching and/or rolled erosion control materials need to be applied to cut and fill slopes if interim reclamation is not planned until after second well is drilled.

Other BMPs:

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

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

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:

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: Project area is surrounded by pinion juniper woodland and irrigated pasture.

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

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

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

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

COGCC Comments

Comment	User	Date
Location does not meet reclamation and stormwater regulations. Indicate to area reclamation specialist where topsoil is stockpiled and how it is protected by May 13, 2016. Longer term erosion controls to stabilize cut and fill slopes are needed by May 31, 2016, unless interim reclamation will be commenced within 6 months. Sediment controls along the pipeline tie need maintenance and revegetation and cement debris should be removed by May 31, 2016.	RoyC	04/28/2016

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

Document Num	Description	URL
680600565	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3843601