

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:
05/13/2016
Document Number:
680100829
Overall Inspection:
ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	429645	429647	Colby, Lou	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 10396
Name of Operator: SWN PRODUCTION COMPANY LLC
Address: PO BOX 12359
City: SPRING State: TX Zip: 77391

- 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
Rowell, Cheryl	713-542-0648	Cheryl_Rowell@swn.com	Senior Reg Analyst

Compliance Summary:

QtrQtr: LOT17 Sec: 5 Twp: 7N Range: 89W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
04/25/2016	673403147	PR	PR	AR	F		No
10/07/2014	673401239	PR	PR	SATISFACTORY	F		No

Inspector Comment:

This is an Interim Reclamation Inspection. Any Corrective Actions from previous inspections that have not been addressed are still applicable.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
429645	WELL	PR	11/19/2013	GW	081-07737	Bulldog 5-14H-789	RI <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____ Drilling Pits: 2 Wells: 1 Production Pits: _____
 Condensate Tanks: _____ Water Tanks: 3 Separators: 1 Electric Motors: _____
 Gas or Diesel Mortors: _____ Cavity Pumps: _____ LACT Unit: _____ Pump Jacks: _____
 Electric Generators: _____ Gas Pipeline: 1 Oil Pipeline: _____ Water Pipeline: 1
 Gas Compressors: _____ VOC Combustor: _____ Oil Tanks: 5 Dehydrator Units: _____
 Multi-Well Pits: _____ Pigging Station: _____ Flare: _____ Fuel Tanks: _____

Location

Lease Road:

Type	Satisfactory/Action Required	comment	Corrective Action	Date

Group	User	Comment	Date
OGLA	kubeczko	<p data-bbox="383 132 662 163">SITE SPECIFIC COAs:</p> <p data-bbox="383 195 1352 401">A closed loop system must be implemented during drilling (which operator has indicated on the Form 2A); or, if a drilling pit is constructed, it must be lined. All cuttings generated during drilling with oil based muds or high chloride/TDS mud must be kept in the lined drilling pit, or placed either in containers or on a lined/bermed portion of the well pad; prior to offsite disposal. 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.</p> <p data-bbox="383 432 1352 667">Operator must ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) 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 data-bbox="383 699 1352 785">Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via buried or temporary surface pipelines.</p> <p data-bbox="383 816 1352 875">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 data-bbox="383 936 1352 1079">The location is in an area of moderate to high run off/run-on potential; 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 data-bbox="383 1110 1352 1253">The moisture content of any freshwater generated 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, if the freshwater generated drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.</p> <p data-bbox="383 1285 1352 1344">A form 15 Earthen Pit Permit must be submitted and approved prior to construction/use of the completions pit.</p> <p data-bbox="383 1375 1352 1434">Any pit constructed to hold oil based muds or salt based fluids and/or cuttings must be lined.</p> <p data-bbox="383 1465 1352 1644">Notify 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 start of construction of the well pad, start of construction of the pit (if different), pit liner installation, and start of fracing operations (via Form 42).</p>	06/08/2012
OGLA	kubeczko	<p data-bbox="383 1654 743 1686">FORM 15 PIT PERMIT COAs:</p> <p data-bbox="383 1717 1352 1887">Notify 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 start of construction of the well pad, start of construction of the pit (if different), pit liner installation, and start of fracing operations (via Form 42).</p> <p data-bbox="383 1919 1352 1978">The completions pit must be double-lined. The pit will also require a leak detection system (Rule 904.e).</p>	06/08/2012

Delivery and vacuum truck hoses will not be allowed to be placed directly onto the pit liner. Operator will construct a loading/unloading station located next to the pit, to deliver fluids to or remove fluids from the pit by truck. The loading/unloading station shall be designed and utilized to prevent hoses from being dropped into the pits and dragged over the liner, which could lead to liner damage. The loading/unloading station will be the only permitted access for manual fluids transfers to or from the pit. Vehicles will not be allowed to approach the pit any closer than the loading/unloading station. Each station will have a catch basin in case a leak occurs while operations personnel are connecting or disconnecting hoses. Signs clearly marking the truck loading/unloading station shall be provided and maintained by the operator.

Operator must submit as-built drawings (plan view and cross-sections) of the completion pit within 14 calendar days of construction.

Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface pipelines or configuration of the permanent pipeline network.

After installation of the uppermost liner and prior to operating the pit, the synthetic liner(s) shall be tested by filling the pit with at least 70 percent of operating capacity of water, measured from the base of the pit (not to exceed the 2-foot freeboard requirement). The operator shall monitor the pit for leaks for a period of 72 hours prior to draining the pit and commencing operations. The leak detection system must also be monitored during the entire test. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) 48 hours prior to start of the hydrotest. Hydrotest monitoring results must be maintained by the operator for the life of the pit and provided to COGCC prior to using the pit.

In lieu of conducting an initial hydrostatic test of the pit, the operator can monitor fluid levels in the pit continuously using a minimum of two pressure transducers located at the upgradient and downgradient ends of the pit (based on the original topographic profile). These pressure transducers should be linked to the operator's SCADA system such that they can be remotely monitored. In addition, the pit liner will be marked at the two foot freeboard depth line so that operations personnel (as well as COGCC inspectors) can easily verify that the required fluid free board is being maintained. The electronically collected water level measurement data shall be used to confirm changes in pit inflow and outflow during operations based on estimates from truck and/or pipeline delivery or removal activities. Any abnormalities that are noticed during operations will be reported to the operator's field supervisor immediately so that any necessary follow-up can be scheduled.

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 pit 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.

No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

For pits containing fluids other than freshwater only; the pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.

Submit additional disposal facilities (wells, pits, etc.), if necessary (i.e., if original disposal option changes), for pit liquid contents to COGCC via a Form 4 Sundry prior to disposal.

Pits used exclusively for drilling shall be closed in accordance with the 1000-Series Rules. Any pit(s) used for purposes other than drilling shall be closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels; with an approved Site Investigation and Remediation Workplan, Form 27.

At the time of pit closure, operator must submit disposal information for solids, if necessary, via a Form 4 Sundry Notice to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us). The disposal method will need to be approved prior to operator starting pit closure.

At the time of pit closure, operator must submit disposal information via a Form 4 Sundry Notice to Dave Kubeczko (Dave Kubeczko; email dave.kubeczko@state.co.us). The disposal method will need to be approved prior to operator starting pit closure.

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

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Wildlife	<ol style="list-style-type: none"> 1. Where oil and gas activities must occur within 4 miles of greater sage-grouse leks or within other mapped greater sage-grouse breeding or summer habitat, conduct these activities outside the period between March 1 and June 30 (Axia Energy agrees to this BMP' with the understanding that if activity should be requested between March 1 – June 30, that the CPW will openly and fairly discuss options and/or an exemption to the timing limitation). 2. Where oil and gas activities must occur within elk winter concentration areas, conduct these activities outside the time period from December 1 through April 15. Drilling and operations activities during the Dec 1 through April 15 time period may be possible if agreement is reached with CPW of an appropriate offsite mitigation project or phased development approach. 3. Restrict post-development well site visitations to portions of the day between 9:00 a.m. and 4:00 p.m. from December 1 to May 15, to lessen impacts to elk in their winter concentration areas, and greater sage-grouse during their breeding and production period. 4. Fence and net pits to exclude wildlife, with wildlife appropriate fencing and netting materials. 5. Construct 4:1 escape ramps in completion pits with a chain link fence or other appropriate covering for traction. Escape ramp should extend from the edge of the pit to below the surface of the water. Escape ramps should be installed on each side of the completion pit (4 ramps per pit), and be 4 to 5 feet in width. 6. Muffle sound from compressors, pump jacks or other motors necessary to run operations at the site.(If mufflers are used, point upward to dissipate sound and vibration.) 7. Reclaim site (interim and final) to match existing vegetation. 8. Participate in the Colorado Oil and Gas Association's voluntary baseline groundwater quality sampling program. 9. Inform CPW of any and all spills that occur on-site, or en-route to pad and pit locations. 10. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location following COGCC Rule 1204 a-1.1. Where oil and gas activities must occur within 4 miles of greater sage-grouse leks or within other mapped greater sage-grouse breeding or summer habitat, conduct these activities outside the period between March 1 and June 30 (Axia Energy agrees to this BMP' with the understanding that if activity should be requested between March 1 – June 30, that the CPW will openly and fairly discuss options and/or an exemption to the timing limitation). 2. Where oil and gas activities must occur within elk winter concentration areas, conduct these activities outside the time period from December 1 through April 15. Drilling and operations

activities during the Dec 1 through April 15 time period may be possible if agreement is reached with CPW of an appropriate offsite mitigation project or phased development approach.

- 3. Restrict post-development well site visitations to portions of the day between 9:00 a.m. and 4:00 p.m. from December 1 to May 15, to lessen impacts to elk in their winter concentration areas, and greater sage-grouse during their breeding and production period.
- 4. Fence and net pits to exclude wildlife, with wildlife appropriate fencing and netting materials.
- 5. Construct 4:1 escape ramps in completion pits with a chain link fence or other appropriate covering for traction. Escape ramp should extend from the edge of the pit to below the surface of the water. Escape ramps should be installed on each side of the completion pit (4 ramps per pit), and be 4 to 5 feet in width.
- 6. Muffle sound from compressors, pump jacks or other motors necessary to run operations at the site.(If mufflers are used, point upward to dissipate sound and vibration.)
- 7. Reclaim site (interim and final) to match existing vegetation.
- 8. Participate in the Colorado Oil and Gas Association's voluntary baseline groundwater quality sampling program.
- 9. Inform CPW of any and all spills that occur on-site, or en-route to pad and pit locations.
- 10. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location following COGCC Rule 1204 a-1.

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: 429645 Type: WELL API Number: 081-07737 Status: PR Insp. Status: RI

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: 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? Fail Production areas stabilized ? Fail

1003c. Compacted areas have been cross ripped? Fail

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass
 Cuttings management: _____

1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? Fail
 Production areas have been stabilized? Fail Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Inspector Name: Colby, Lou

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured Fail 80% Revegetation Fail

1003 f. Weeds Noxious weeds? _____ F _____

Comment: Control Noxious Weeds. Conduct Interim Reclamation in areas no longer needed for Use, including Fill Slope, perimeter Berms and other unstabilized areas of the location. CA Date for Weed control by 6/30/16; Rec Activities by 11/30/16

Overall Interim Reclamation Fail

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		Culverts	Pass			
Drains	Fail					
Culverts	Pass	Compaction	Pass			
Blankets	Fail					
Gravel	Pass	Ditches	Pass			
Mulching	Fail					
Berms		Check Dams	Pass			
Compaction	Pass	Gravel	Pass			
Slope Roughening	Fail					
Seeding	Fail					

S/A/V:	ACTION REQUIRED	Corrective Date:	06/30/2016
Comment:	One Steep Drain remains unarmoured. Other BMPs failed as lack of Installation or sufficient installation is allowing Cut Slope to erode, leading to Rilling and Run-On to Pad. Refer to Photos attached for details.		
CA:	Install BMPs to stabilize settling area and Drain located mid Fill slope that feeds to containment Pond at Fill Slope Base. Install BMPs to stabilize Cut Slope, preventing Sediment Run On to Location. Ditch at West side of Location needs stabilizing BMPs installed.		
Pits:	<input type="checkbox"/> NO SURFACE INDICATION OF PIT		

COGCC Comments		
Comment	User	Date
It appears areas of Berms were seeded; but have been only partialy sucessful, Interseeding of these areas would be acceptable. Control of State and County B list Noxious Weed, Canada thistle Should be implemented ASAP. Location Size appears to be well over 5 acres; shrinking the pad in for Interim Reclamation may allow for lessning steepness of Fill Slope; facilitating ease and sucess of Reclamation.	colbyl	05/24/2016

Attached Documents

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

Document Num	Description	URL
680100829	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3865435
680100830	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3865431