

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:
06/16/2016
Document Number:
674602599

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|----------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>240824</u> | <u>318189</u> | <u>Maclaren, Joe</u> | <input type="checkbox"/> | |

Overall Inspection:
SATISFACTORY w/ CMT or AR

Operator Information:

| | |
|-----------------------|--|
| OGCC Operator Number: | <u>52530</u> |
| Name of Operator: | <u>MAGPIE OPERATING, INC</u> |
| Address: | <u>2707 SOUTH COUNTY RD 11</u> |
| City: | <u>LOVELAND</u> State: <u>CO</u> Zip: <u>80537</u> |

- 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 |
|------------------------|----------------|-------------------------------|---------|
| Schlagenhauf, Mark | | mark.schlagenhauf@state.co.us | |
| Hazard, Ellice | | ellice.hazard@state.co.us | |
| Warner, Ryan and James | (970) 669-6308 | magpieoil@yahoo.com | |

Compliance Summary:

QtrQtr: NENE Sec: 6 Twp: 4N Range: 68W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 02/17/2015 | 674102097 | PR | PR | SATISFACTORY | | | No |
| 09/22/2014 | 673801418 | PR | PR | ACTION REQUIRED | | | No |
| 12/20/2013 | 674100156 | PR | PR | SATISFACTORY | P | | No |
| 01/14/2010 | 200230362 | PR | PR | ACTION REQUIRED | | | No |
| 03/21/2008 | 200201453 | PR | PR | ACTION REQUIRED | | | |
| 11/01/2007 | 200121442 | PR | PR | ACTION REQUIRED | | | Yes |
| 09/27/2007 | 1617990 | PR | PR | ACTION REQUIRED | | | Yes |
| 09/27/2007 | 200120039 | PR | PR | ACTION REQUIRED | | | Yes |
| 03/12/2007 | 200109799 | CO | PR | ACTION REQUIRED | | Fail | Yes |
| 04/03/2006 | 200089084 | PR | PR | SATISFACTORY | | Pass | No |
| 08/09/2001 | 200018536 | ES | PR | | | Pass | No |
| 05/20/1999 | 500163025 | PR | PR | | | Pass | No |
| 11/03/1997 | 500163024 | PR | PR | | | Pass | No |
| 02/06/1996 | 500163023 | PR | PR | | | Fail | Yes |

Inspector Comment:

Engineering Integrity inspection conducted on 6/16/2016 with a primary focus on flowlines associated with this well site. Details of observations made during this field inspection are available in the equipment/ flowline and housekeeping sections of this report. Last production reported December 2015. Photo's uploaded can be accessed via link(s) at end of report.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|--|
| 109276 | PIT | | 09/23/1999 | | - | SCHRAGE 1 & 2 | <input type="checkbox"/> |
| 240824 | WELL | PR | 05/05/1976 | OW | 123-08612 | SCHRAGE 1 | EG <input checked="" type="checkbox"/> |

Equipment: Location Inventory

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

Emergency Contact Number (S/AR): _____

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|-------|------------------------------|---|-------------------|---------|
| OTHER | | Stained soil (approximately 3' diameter) at truck loadout; Properly remove and remediate stained soils at crude oil load out. | | |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|------|------|--------|-------------------|---------|
| | | | | |

Multiple Spills and Releases?

Fencing/:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|------|------------------------------|---------|-------------------|---------|
| | | | | |

Equipment:

| | | | |
|-----------------|-----|-------------------------------|--|
| Type: Flow Line | # 2 | Satisfactory/Action Required: | |
|-----------------|-----|-------------------------------|--|

Inspector Name: Maclaren, Joe

| | | |
|-------------------|--|-------|
| Comment | Well site, oil dump and sales gas flowlines identified. No integrity issues observed at wellhead; or along flowlines between wellhead and separator (treater) or dump line to crude oil tank. Note: There are (2) flowline risers/ with valves located along the eastern side of location associated with equipment/ removed. Unused flowlines no longer needed for production operations will need to be removed or properly abandoned. | |
| Corrective Action | | Date: |

Venting:

| | |
|---------|--|
| Yes/No | |
| Comment | |

Flaring:

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

Predrill

Location ID: 240824

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

S/AR: _____

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

Form 2A COAs:

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

CA: _____ **Date:** _____

Wildlife BMPs:

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: 240824 Type: WELL API Number: 123-08612 Status: PR Insp. Status: EG

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 : _____ Lat _____ Long _____

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: _____

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? _____

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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 _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

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 |
|--------------|--|---|
| 674602600 | Wellhead and Signage | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3882218 |
| 674602601 | Stained soils at crude oil loadout | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3882219 |
| 674602602 | Unused flowlines on east side well pad | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3882220 |