

**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:

07/19/2016

Document Number:

666802393

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 211320 | 323942 | Murray, Richard | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 96850Name of Operator: TEP ROCKY MOUNTAIN LLCAddress: PO BOX 370City: PARACHUTE State: CO Zip: 81635

- ☐ 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 |
|---------------|-------|------------------------------------|-------------------|
| , Inspections | | COGCCInspectionReports@terraep.com | Field Inspections |

Compliance Summary:QtrQtr: SENW Sec: 7 Twp: 7S Range: 93W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 10/07/2014 | 666800153 | PR | PR | SATISFACTORY | | | No |
| 07/17/2012 | 663800439 | PR | PR | SATISFACTORY | P | | No |
| 01/09/2004 | 200053526 | PR | PR | SATISFACTORY | I | Pass | No |
| 07/14/1999 | 500142914 | PR | PR | | | Pass | No |
| 03/09/1999 | 500142913 | PR | PR | | | | |

Inspector Comment:Location built and waiting for drilling rig**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|------------------|-------------|-------------------------------------|
| 211320 | WELL | PR | 09/10/1997 | GW | 045-07080 | YOUBERG RU 22-7 | PR | <input checked="" type="checkbox"/> |
| 445633 | WELL | XX | 04/29/2016 | | 045-23128 | Youberg RU 512-7 | XX | <input checked="" type="checkbox"/> |
| 445634 | WELL | XX | 04/29/2016 | | 045-23129 | Youberg RU 523-7 | XX | <input checked="" type="checkbox"/> |
| 445635 | WELL | XX | 04/29/2016 | | 045-23130 | Youberg RU 31-7 | XX | <input checked="" type="checkbox"/> |
| 445636 | WELL | XX | 04/29/2016 | | 045-23131 | Youberg RU 423-7 | XX | <input checked="" type="checkbox"/> |
| 445637 | WELL | XX | 04/29/2016 | | 045-23132 | Youberg RU 322-7 | XX | <input checked="" type="checkbox"/> |
| 445638 | WELL | XX | 04/29/2016 | | 045-23133 | Youberg RU 323-7 | XX | <input checked="" type="checkbox"/> |
| 445639 | WELL | XX | 04/29/2016 | | 045-23134 | Youberg RU 321-7 | XX | <input checked="" type="checkbox"/> |
| 446083 | WELL | XX | 06/10/2016 | | 045-23230 | Youberg RU 412-7 | XX | <input checked="" type="checkbox"/> |
| 446084 | WELL | XX | 06/10/2016 | | 045-23231 | Youberg RU 422-7 | XX | <input checked="" type="checkbox"/> |
| 446085 | WELL | XX | 06/10/2016 | | 045-23232 | Youberg RU 23-7 | XX | <input checked="" type="checkbox"/> |

Inspector Name: Murray, Richard

| | | | | | | | | |
|--------|------|----|------------|--|-----------|------------------|----|-------------------------------------|
| 446086 | WELL | XX | 06/10/2016 | | 045-23233 | Youberg RU 421-7 | XX | <input checked="" type="checkbox"/> |
| 446087 | WELL | XX | 06/10/2016 | | 045-23234 | Youberg RU 411-7 | XX | <input checked="" type="checkbox"/> |
| 446088 | WELL | XX | 06/10/2016 | | 045-23235 | Youberg RU 311-7 | XX | <input checked="" type="checkbox"/> |

Equipment:Location Inventory

| | | | |
|------------------------------|------------------------|-----------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: <u>14</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: <u>1</u> | Separators: <u>14</u> | 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): 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 |
|------|------|--------|-------------------|---------|
| | | | | |

☐ Multiple Spills and Releases?**Fencing/:**

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

Equipment:

| | | |
|---------------------------|-----|--|
| Type: Gas Meter Run | # 2 | Satisfactory/Action Required: SATISFACTORY |
| Comment | | |
| Corrective Action | | Date: _____ |
| Type: Ancillary equipment | # 0 | Satisfactory/Action Required: SATISFACTORY |
| Comment | | |
| Corrective Action | | Date: _____ |

Inspector Name: Murray, Richard

| | | |
|-----------------------------------|-------|--|
| Type: Horizontal Heated Separator | # 14 | Satisfactory/Action Required: SATISFACTORY |
| Comment | | |
| Corrective Action | Date: | |
| Type: Plunger Lift | # 1 | Satisfactory/Action Required: SATISFACTORY |
| Comment | | |
| Corrective Action | Date: | |

Facilities: ☐ New Tank Tank ID: _____

| | | | | |
|--------------------|--------------|----------|----------|------------------|
| Contents | # | Capacity | Type | SE GPS |
| PRODUCED WATER | 0 | | | , |
| S/AR | SATISFACTORY | | Comment: | |
| Corrective Action: | | | | Corrective Date: |

Paint

| | |
|------------------|--|
| Condition | |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| | | | | |
|-------------------|----------|---------------------|---------------------|-----------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| | | | | |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

Facilities: ☐ New Tank Tank ID: _____

| | | | | |
|--------------------|--------------|----------|-----------|-----------------------|
| Contents | # | Capacity | Type | SE GPS |
| CONDENSATE | 1 | 200 BBLS | STEEL AST | 39.456732,-107.820101 |
| S/AR | SATISFACTORY | | Comment: | |
| Corrective Action: | | | | Corrective Date: |

Paint

| | |
|------------------|----------|
| Condition | Adequate |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| | | | | |
|-------------------|----------|---------------------|---------------------|-----------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

Venting:

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

Flaring:

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

Predrill

Location ID: 211320

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

Corrective Action: _____

Date: _____

CDP Num.: _____

Form 2A COAs:

| Group | User | Comment | Date |
|-------|----------|--|------------|
| OGLA | kubeczkd | <p>The moisture content of water/bentonite based mud (WBM) generated drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts. After drilling and completion operations have been completed, the WBM drill cuttings that will remain on the well pad location (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), must meet the applicable standards of Table 910-1. No liners are allowed to be disposed of with the drill cuttings. After the drill cuttings have been amended (if necessary) and placed on the well pad, sampling frequency of the drill cuttings (to be determined by the operator) shall be representative of the material left on location. No offsite disposal of cuttings to another oil and gas location shall occur without prior approval of a Waste Management Plan (submitted via a Form 4 Sundry Notice) specifying disposal location and waste characterization method. Commercial disposal of drill cuttings will only require notification to COGCC via a Form 4 Sundry Notice.</p> <p>Flowback and stimulation fluids must be sent to enclosed tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline storage vessel, or other open top containment located on the well pad; or into tanker trucks for offsite disposal. No open top tanks can be used for initial flowback fluids containment. 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. No additional downgradient berming is required if operator constructs a sufficiently sized perimeter berm.</p> <p>Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.</p> | 04/13/2016 |

| | | | |
|------|----------|--|------------|
| OGLA | kubeczkd | <p>Operator must ensure secondary containment for any volume of fluids contained at the 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 fluid containment/control as well as stormwater management for the control of run-on and run-off) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals as required by CDPHE (at least every 14 days and after precipitation events), and maintained in good condition.</p> <p>The design/build of any perimeter berm or fluid management structures shall be sized, constructed, and compacted sufficiently to contain and/or manage potential fluid releases during operations in a manner that prevents or controls potential sedimentation and scouring on adjacent lands and drainages. Such design/build of perimeter berms or fluid management structures may include, but are not limited to the following: on location berms; diversion ditches; down gradient baffles intended to slow and control water flow and sediment; enhanced vegetation; or other design features necessary to achieve the goal of protecting adjacent lands and drainages from potential sedimentation and scouring.</p> <p>The location is in an area of moderate to high run-on/run-off potential; therefore standard stormwater BMPs must be implemented; prior to, during, and after construction, as well as during operations; at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater run-off.</p> <p>The access road will be constructed and maintained 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>Strategically apply fugitive dust control measures, including encouraging established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</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 permanent condensate and produced water storage tanks.</p> | 04/13/2016 |
| OGLA | kubeczkd | <p>In addition to the notifications required by COGCC listed in the Northwest Notification Policy (Notice of Intent to Construct a New Location, Notice of Intent to Spud Surface Casing, and Notice of Intent to Commence Hydraulic Fracturing Operations) and Rule 316C. COGCC Form 42. FIELD OPERATIONS NOTICE (a. Notice of Intent to Conduct Hydraulic Fracturing Treatment and c. Notice of Construction or Major Change); operator shall notify the COGCC 48 hours prior to pipeline testing (flowlines from wellheads to separators to tanks; and/or any temporary surface lines used for hydraulic stimulation and/or flowback operations) using the Form 42 (as described in Rule 316C.m. Notice of Completion of Form 2/2A Permit Conditions). The appropriate COGCC individuals will automatically be email notified.</p> | 04/13/2016 |

| | | | |
|------|----------|---|------------|
| OGLA | kubeczkd | <p>Operator shall pressure test pipelines (flowlines from wellheads to separators to tanks; and any temporary surface lines used for hydraulic stimulation and/or flowback operations) 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.</p> <p>Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface poly pipeline routes for leaks during active transfer of fluids and implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance during pipeline monitoring. In addition, pump stations along the surface poly or steel pipeline route will be continuously monitored when operating in order to swiftly respond to such a failure.</p> <p>Operator will implement BMPs necessary to mitigate a potential for a release of fluids to impact streams, intermittent streams, ditches, and drainage crossings. For these crossings: if poly pipe is used on the surface, operator will ensure appropriate containment by either installing over-sized pipe "sleeves" which extend the length of the crossing and beyond to a distance deemed adequate to capture (catchment basins) and/or divert any possible release of fluids and prevent fluids from reaching the stream or drainage; installing over-sized pipe "sleeves" which extend the length of the crossing and installing shut off valves on either side of crossing instead of catchment basins; or develop an alternative means for containment. For all other pipeline materials, operator will implement BMPs necessary to mitigate a potential for E&P fluids not to reach groundwater or flowing surface water.</p> <p>Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the temporary surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.</p> | 04/13/2016 |
|------|----------|---|------------|

S/AR: SATISFACTORY

Comment: COAs in place

CA: Date: **Wildlife BMPs:**

| BMP Type | Comment |
|---------------------|--|
| Interim Reclamation | <ul style="list-style-type: none"> * WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeding and reclamation of disturbed areas. * Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings. * Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors. |
| Planning | <ul style="list-style-type: none"> * Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas. * Locate roads outside of drainages where possible and outside of riparian habitat. * Minimize the number, length, and footprint of oil and gas development roads * Use existing roads where possible * Combine and share roads to minimize habitat fragmentation * Maximize the use of directional drilling to minimize habitat loss/fragmentation * Maximize use of long-term centralized tank batteries to minimize traffic * Maximize use of remote completion/frac operations to minimize traffic * Maximize use of remote telemetry for well monitoring to minimize traffic |

Inspector Name: Murray, Richard

Drilling/Completion Operations

- * Use centralized hydraulic fracturing operations.
- * Install and maintain adequate measures to exclude all types of wildlife (e.g., big game, birds, and small rodents) from all fluid pits (e.g., fencing, netting, and other appropriate exclusion measures).
- * Conduct well completions with drilling operations to limit the number of rig moves and traffic.

S/AR: SATISFACTORY

Comment: BMPs in place

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: 211320 Type: WELL API Number: 045-07080 Status: PR Insp. Status: PR

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____

S/A/V: _____

CA Date: _____

CA: _____

Comment: LOTO at wellhead

Facility ID: 445633 Type: WELL API Number: 045-23128 Status: XX Insp. Status: XX

Workover

Comment: Conductor pipe set

Facility ID: 445634 Type: WELL API Number: 045-23129 Status: XX Insp. Status: XX

Workover

Comment: Conductor pipe set

Facility ID: 445635 Type: WELL API Number: 045-23130 Status: XX Insp. Status: XX

WorkoverComment: **Conductor pipe set**Facility ID: 445636 Type: WELL API Number: 045-23131 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set**Facility ID: 445637 Type: WELL API Number: 045-23132 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set**Facility ID: 445638 Type: WELL API Number: 045-23133 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set**Facility ID: 445639 Type: WELL API Number: 045-23134 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set**Facility ID: 446083 Type: WELL API Number: 045-23230 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set**Facility ID: 446084 Type: WELL API Number: 045-23231 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set**Facility ID: 446085 Type: WELL API Number: 045-23232 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set**Facility ID: 446086 Type: WELL API Number: 045-23233 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set**Facility ID: 446087 Type: WELL API Number: 045-23234 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set**Facility ID: 446088 Type: WELL API Number: 045-23235 Status: XX Insp. Status: XX**Workover**Comment: **Conductor pipe set****Environmental****Spills/Releases:**

Inspector Name: Murray, Richard

| | | |
|-----------------------------------|--------------------|-------------------------------|
| 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): N _____

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: Location built for new wells to be drilled

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

Inspector Name: Murray, Richard

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | Culverts | Pass | | | |
| | | Check Dams | Pass | | | |
| | | Rip Rap | Pass | | | |
| | | Gravel | Pass | | | |
| Ditches | Pass | | | | | |
| | | Ditches | Pass | | | |
| | | Sediment Traps | Pass | | | |
| Berms | Pass | | | | | |

S/A/V: SATISFACTOR
Y

Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT