

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:
08/09/2016
Document Number:
679700213

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|----------------------|--------------------|--------------------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | <input type="checkbox"/> |
| | <u>242860</u> | <u>319086</u> | <u>ALLISON, RICK</u> | 2A Doc Num: | _____ |

Overall Inspection:
SATISFACTORY w/ CMT or AR

Operator Information:

OGCC Operator Number: 8960

Name of Operator: BONANZA CREEK ENERGY OPERATING COMPANY

Address: 410 17TH STREET SUITE #1400

City: DENVER State: CO Zip: 80202

- 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 |
|--------------|-------|----------------------|-----------------|
| Dodek, | | EHSRC@bonanzacrk.com | All Inspections |

Compliance Summary:

QtrQtr: NWNW Sec: 23 Twp: 5N Range: 61W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 04/26/2013 | 670500949 | PR | PR | ACTION REQUIRED | Pass | | No |
| 02/18/2011 | 200297021 | PR | PR | ACTION REQUIRED | | | Yes |
| 06/09/2003 | 200040111 | PR | PR | SATISFACTORY | | Pass | No |
| 10/21/2002 | 200031845 | PR | PR | SATISFACTORY | | Fail | Yes |
| 04/01/1996 | 500165899 | PR | PR | | | Pass | No |

Inspector Comment:

COGCC Environmental Staff Inspection - Spill #447095. Excavation of flowline release near wellhead is in progress. Operator is field screening and collecting confirmation soil samples for laboratory analysis. Operator will submit results of excavation via Form 19 Supplemental Report.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------------------|--------|-------------|------------|-----------|---------------------|-------------|-------------------------------------|
| 242860 | WELL | PR | 01/01/2014 | OW | 123-10651 | WILDFONG 11-23 | EI | <input checked="" type="checkbox"/> |
| 447095 | SPILL OR RELEASE | AC | | | - | SPILL/RELEASE POINT | EI | <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

Emergency Contact Number (S/AR): _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|--|------|--------|-------------------|---------|
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

Equipment:

| | | |
|-------------------------------|---|---|
| Type: Emission Control Device | # 1 | Satisfactory/Action Required: SATISFACTORY |
| Comment | | |
| Corrective Action | | Date: |
| Type: Vertical Heater Treater | # 1 | Satisfactory/Action Required: ACTION REQUIRED |
| Comment | stained soil inside treater containment | |
| Corrective Action | Securely fasten all valves, pipes, and fittings to ensure good mechanical condition per Rule 605.d. | Date: 9/9/2016 |

Tanks and Berms: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|--------------------|--------------|----------|-----------|---|
| CRUDE OIL | 1 | 300 BBLS | STEEL AST | , |
| S/AR | SATISFACTORY | | Comment: | Tank Battery is located at the P&A Morris 13-23 location. |
| Corrective Action: | | | | Corrective Date: |

Paint

Condition _____

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------------------|---|---------------------|---------------------|----------------------------|
| Earth | Inadequate | | | |
| Corrective Action | improve and maintain earthen berm for sufficient secondary containment per Rule 605.a.(4) | | | Corrective Date 09/09/2016 |
| Comment | capacity of secondary containment appears inadequate for tank | | | |

Tanks and Berms: New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|--------------------|---|-----------|-------------|---|
| PRODUCED WATER | 1 | <100 BBLS | BV CONCRETE | , |
| S/AR | | | Comment: | Tank Battery is located at the PA Morris 13-23 location. Buried vessel produced water tank. Top of vessel is completely buried. Water drain from Crude Oil AST drains into vessel hatch |
| Corrective Action: | | | | Corrective Date: |

Paint

Condition _____

Other (Content) _____

Other (Capacity) _____

| | | | | |
|--------------------|---|---------------------|---------------------|----------------------------|
| Other (Type) _____ | | | | |
| Berms | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Earth | Inadequate | | | |
| Corrective Action | Make improvements prior to bringing well back on production after flowline repairs. | | | Corrective Date 08/23/2016 |
| Comment | Improve containmnet capacity in case of buried vessel overflow. Containment berm has weathered. Make improvements prior to bringing well back on production after flowline repairs. | | | |

| | |
|-----------------|--|
| Venting: | |
| Yes/No | |
| Comment | |

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

Predrill

Location ID: 242860

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: 242860 Type: WELL API Number: 123-10651 Status: PR Insp. Status: EI

Facility ID: 447095 Type: SPILL OR API Number: - Status: AC Insp. Status: EI

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: _____

| Waste Management: | | | | | |
|--------------------------|------------|-----------|--|-----------|--------|
| Type | Management | Condition | Comment | GPS (Lat) | (Long) |
| Oily Soil | Piles | Adequate | Operator is creating temporary stockpiles onsite adjacent the excavation and is preparing for dig and haul of the impacted material. Operator indicated material would be hauled to Buffalo Ridge Landfill for disposal. | | |

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? _____

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

Inspector Name: ALLISON, RICK

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 |
|--------------|--|---|
| 679700213 | INSPECTION APPROVED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3927407 |
| 679700219 | Buried produced water vessel and containment | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3927387 |
| 679700220 | Vertical Treater | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3927388 |