

**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:

08/18/2016

Document Number:

682401171

Overall Inspection:

SATISFACTORY w/ CMT
or AR**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	446907	446906	Binschus, Chris	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10459Name of Operator: EXTRACTION OIL & GAS LLCAddress: 370 17TH STREET SUITE 5300City: 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
		COGCCInspections@extracti onog.com	All inspections
Arthur, Denise		denise.arthur@state.co.us	

Compliance Summary:QtrQtr: SENE Sec: 9 Twp: 6N Range: 67W**Inspector Comment:**

This is a stormwater inspection. See Stormwater section and COGCC Comments section for additional information.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
446907	WELL	XX	07/24/2016		123-43400	Winder South 4	XX	<input type="checkbox"/>
446908	WELL	XX	07/24/2016		123-43401	Winder South 7	XX	<input type="checkbox"/>
446909	WELL	DG	08/09/2016		123-43402	Winder South 1	RI	<input checked="" type="checkbox"/>
446910	WELL	XX	07/24/2016		123-43403	Winder South 6	XX	<input type="checkbox"/>
446911	WELL	DG	08/10/2016		123-43404	Winder South 2	RI	<input checked="" type="checkbox"/>
446912	WELL	XX	07/24/2016		123-43405	Winder South 8	XX	<input type="checkbox"/>
446913	WELL	XX	07/24/2016		123-43406	Winder South 9	XX	<input type="checkbox"/>
446914	WELL	XX	07/24/2016		123-43407	Winder South 5	XX	<input type="checkbox"/>
446915	WELL	DG	08/11/2016		123-43408	Winder South 3	RI	<input checked="" type="checkbox"/>
446932	WELL	XX	07/24/2016		123-43419	Winder South 10	XX	<input type="checkbox"/>

Equipment:Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>12</u>	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
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☐ Multiple Spills and Releases?**Venting:**

Yes/No _____

Comment _____

Flaring:

Type	Satisfactory/Action Required
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Comment: _____

Corrective Action:	Correct Action Date:
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Predrill

Location ID: 446907

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

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

Form 2A COAs:**S/AR:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:**

BMP Type	Comment
Noise mitigation	<p>Sound walls and/or hay bales will be used on the North, South, East, and West sides of the well site during drilling operations to shield sensitive areas.</p> <p>Baseline noise monitoring and testing will be conducted prior to commencement of construction and dirt work.</p>
Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
Emissions mitigation	<p>Green Completions - Emission Control System: Test separators and associated flow lines and sand traps shall be installed on-site to accommodate green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flowback gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flowback within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustions where non-combustible gases are present. Test separators and associated flow lines and sand traps shall be installed on-site to accommodate green completions techniques pursuant to COGCC Rules.</p> <p>Extraction will tie into a gas sales line after flowback.</p>

Construction	<p>COGCC MLVT BMPs</p> <ul style="list-style-type: none"> • Operator has an MLVT Design Package, certified and sealed by a licensed professional engineer, which is on file in their office and available upon request. • The MLVT will be at least 75 feet from a wellhead, fired vessel, heater-treater, or a compressor with a rating of 200 horsepower or more. It will be placed at least 50 feet from a separator, well test unit, or other non-fired equipment. • All liner seams will be welded and tested in accordance with applicable ASTM International standards. • Operator will be present during initial filling of the MLVT and the contractor will supervise and inspect the MLVT for leaks during filling. • Operator will comply with the testing and reinspection requirements and associated written standard operating procedures (SOP) listed on the design package. • Signs will be posted on the MLVT indicating that the contents are freshwater. • The MLVT will be operated with a minimum of 1 foot of freeboard at all times. • Access to the MLVT will be limited to operational personnel and authorized regulatory agency personnel. • Operator or contractor will conduct daily visual inspections of the exterior wall and surrounding area for integrity deficiencies. • Operator has developed a contingency plan/emergency response plan associated with the MLVT and it is on file at their office. • Construction: Operator acknowledges and will comply with the Colorado Oil & Gas Conservation Commission Policy on the Use of Modular Large Volume Tanks in Colorado dated June 13, 2014.
General Housekeeping	<p>Visual Impacts: Equipment, regardless of construction date, which are observable from any public highway shall be painted with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to, but slightly darker than, the surrounding landscape.</p> <p>Maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed immediately. Operator shall keep the Surface Use Area as well as any roads or other areas used by Operator safe and in good order, including control of noxious weeds litter and debris.</p>
Odor mitigation	<p>Equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare.</p> <p>Oil and gas operations shall be in compliance with the Department of Public Health and Environment, Air Quality Control Commission, Regulation No. 2 Odor Emission, 5 C.C.R. 1001-4, Regulation No. 3 (5 C.C.R. 1001-5), and Regulation No. 7 Section XVII.B.1 (a-c) and Section XII.</p>
Drilling/Completion Operations	<p>One of the first wells drilled on the pad will be logged with open-hole Resistivity Log and Gamma Ray Log from the kick-off point into the surface casing. All wells on the pad will have a cement bond log with gamma-ray run on production casing (or on intermediate casing if production liner is run) into the surface casing. The horizontal portion of every well will be logged with a measured-while-drilling gamma-ray log. The Form 5, Completion Report, for each well on the pad will list all logs run and have those logs attached. The Form 5 for a well without open-hole logs shall clearly state "No open-hole logs were run" and shall clearly identify (by API#, well name & number) the well in which open-hole logs were run.</p>
Material Handling and Spill Prevention	<p>Leak Detention Plan: Operator will monitor production facilities on a regular schedule to identify fluid leaks, including, but not limited to, visually inspecting all wellheads, tanks and fittings. Additionally annual SPCC inspections will be conducted and documented.</p> <p>Control of fire hazards: All material that is considered a fire hazard shall be a minimum of 25' from the wellhead tanks or separators. Electrical equipment shall comply with API IRP 500 and will comply with the current national electrical code.</p> <p>Operator shall comply with state and federal laws, rules and regulations governing the presence of any petroleum products, toxic or hazardous chemicals or wastes on the Subject lands.</p> <p>Annual flowline testing will also occur according to COGCC rules 1101 and 1102. Inspection and record retention of flowline testing will be in accordance per COGCC regulation. All records will be made available to the COGCC upon to request.</p>

Construction	To protect building units downstream of the MLVTs, earthen berming will be utilized. The topsoil stockpile for the pad will be located along the southern most edge of the pad. This stockpile will be 10 feet tall and will act as a BMP to downstream building unit owners. Along the southwest edge of the pad, south of the MLVTs, an earthen berm will be constructed on the top edge of the pad. This earthen berm shall be constructed 18 inches in height and will be constructed prior to or concurrently with installation of the MLVTs. This earthen berm shall remain in place until the MLVTs are removed from location.
Construction	Lighting: Site lighting will be directed downward and inward and shielded to avoid glare on public roads and Building Units within one thousand (1000) feet. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.
Drilling/Completion Operations	A closed –loop system will be used for drilling operations. Blowout Prevention Equipment (“BOPE”): A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid. Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Bradenhead Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.
Interim Reclamation	Operator shall be responsible for segregating the topsoil, backfilling, repacking, reseeding, and recontouring the surface of any disturbed area so as not to interfere with Owner’s operations and shall reclaim such area to be returned to pre-existing conditions as best as possible with control of all noxious weeds.
Traffic control	Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. A traffic study is not required to obtain an access in Weld County.
Final Reclamation	Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. The Operator shall restore the surface of the Land affected by such terminated operations as near as possible to the previous state that existed prior to operations.
Dust control	Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high- wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers may be used.
Construction	Guy line anchors: All guy line anchors shall be brightly marked pursuant to Rule 604.c.(2)Q.
Planning	Multi-Well Pads are located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas and complies with the wishes of the surface owner. A meeting with the surface owner will determine the fencing plan.

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:

Inspector Name: Binschus, Chris

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: 446909 Type: WELL API Number: 123-43402 Status: DG Insp. Status: RI

Facility ID: 446911 Type: WELL API Number: 123-43404 Status: DG Insp. Status: RI

Facility ID: 446915 Type: WELL API Number: 123-43408 Status: DG 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: IRRIGATED

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 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: IRRIGATED _____

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 ☐

Inspector Name: Binschus, Chris

Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Berms	Pass					
Ditches	Pass					

S/A/V: SATISFACTORY Corrective Date: _____

Comment: Ditch and berm BMPs have been installed throughout entire perimeter of location and compacted to convey or divert stormwater flows away from location; however, a stabilized outlet or sediment trap needs to be installed to prevent sediment laden storm runoff from leaving location. Or, Operator shall submit calculations demonstrating the ditch and berm BMPs are sufficient to prevent sediment laden storm runoff from leaving location. Install sufficient sediment control BMPs pursuant to: Manual of Stormwater BMPs (Revised: 2015) attached to Extraction's Stormwater Management Plan ("SWMP") submitted to Colorado Department of Health and Environment, or submit calculations indicating current BMPs are sufficient via Form 4 by 9/1/16.

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
In addition, equipment traffic shall be kept off BMPs so they properly function and all BMPs shall be maintained. Refer to attached photos in Document #682401172.	binschusc	08/18/2016
If it is determined that additional BMPs (i.e., sediment traps) are required, installation should be completed on or before 9/1/16 because this time of the year is monsoon season increasing the potential for erosion. Please submit a Form 42 upon completing the installation of additional BMPs as described above.	binschusc	08/18/2016

Attached Documents

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

Document Num	Description	URL
682401171	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3932763
682401172	Location Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3932758