

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:
401692490
Date Received:
07/11/2018

FIR RESOLUTION FORM

CA Summary:

7 of 7 CAs from the FIR responded to on this Form

7 CA Completed
0 Factual Review Request

OPERATOR INFORMATION

OGCC Operator Number: 10459
Name of Operator: EXTRACTION OIL & GAS INC
Address: 370 17TH STREET SUITE 5300
City: DENVER State: CO Zip: 80202
Contact Name and Telephone:
Name:
Phone: () Fax: ()
Email:

Additional Operator Contact:

Contact Name	Phone	Email
Jeff Rickard	720-737-5144	dnr_cogccenforcement@state.co.us jrickard@extractionog.com

COGCC INSPECTION SUMMARY:

FIR Document Number: 682403732
Inspection Date: 06/27/2018 FIR Submit Date: 06/29/2018 FIR Status:

Inspected Operator Information:

Company Name: EXTRACTION OIL & GAS INC Company Number: 10459
Address: 370 17TH STREET SUITE 5300
City: DENVER State: CO Zip: 80202

LOCATION - Location ID: 436824

Location Name: Triple Creek Number: County:
Qtrqtr: SENE Sec: 8 Twp: 5N Range: 66W Meridian: 6
Latitude: 40.414200 Longitude: -104.798670

FACILITY - API Number: 05-123-00 Facility ID: 436824

Facility Name: Triple Creek Number:
Qtrqtr: SENE Sec: 8 Twp: 5N Range: 66W Meridian: 6
Latitude: 40.414200 Longitude: -104.798670

CORRECTIVE ACTIONS:

1 ☒ CA# 117111

Corrective Action: Perform the corrective action immediately to avoid potential increases in penalties. Date:

Response: CA COMPLETED Date of Completion: 07/09/2018

Operator Comment: The trash that was blown onto location from the adjacent property and documented in the COGCC inspection photo has been picked up. Photo #1 on the attachment shows the location where trash has been picked up. Photo #2 shows the adjacent landowner's junk yard/ dump from which the wind-blown trash comes onto location. Although Extraction has experienced several instances of trash from the properties of adjacent landowners being blown by the wind onto location, Extraction acknowledges that it is responsible for the maintenance of the location and will continue to walk the location on a regular basis to remove all trash and debris.

COGCC Decision: Approved pending re-inspection

COGCC
Representative:

COGCC
Supervisor: Approved pending re-inspection of this FIR resolution acknowledges the document was received. It is not an acknowledgement that the corrective action has been passed. A field inspection will be conducted at a future date to evaluate compliance with COGCC standards.

Note: It was not evident to the inspector that this trash blew in from the adjacent land.

2 ☒ CA# 117112

Corrective Action: Perform the corrective action immediately to avoid potential increases in penalties.

Date: _____

Response: CA COMPLETED

Date of Completion: 07/09/2018

Operator
Comment: As the inspector noted, weed control is an ongoing maintenance program. Extraction has continued to perform weed control after the sound wall was removed on 6/28/18. The inspector observed and noted part of Extraction's weed control program by acknowledging Extraction has been mowing the property. Extraction initiated its interim reclamation with the start of the sound wall removal on 6/13/18 and is controlling the weeds via regular mowing and spraying. The weeds were mowed on 7/9/18 when the ground was stable and dry enough to safely mow the slopes. As part of its interim reclamation the re-contoured interim reclamation area will be seeded, and regular weed control will be part of the maintenance until interim reclamation has been passed. Extraction will continue to control weeds on site through the life of the project until final reclamation.

COGCC Decision: Approved pending re-inspection

COGCC
Representative:

COGCC
Supervisor: Approved pending re-inspection of this FIR resolution acknowledges the document was received. It is not an acknowledgement that the corrective action has been passed. A field inspection will be conducted at a future date to evaluate compliance with COGCC standards.

COGCC's expectation is that weed control is in compliance with the Rules at all times.

3 ☒ CA# 117113

Corrective Action: Perform the corrective action immediately to avoid potential increases in penalties.

Date: _____

Response: CA COMPLETED

Date of Completion: 07/09/2018

Operator
Comment: As mentioned above, weed control is an ongoing maintenance program. As reflected in COGCC inspection photo #10, Extraction has been spraying noxious weeds on location and will continue to control weeds and remove problem species, such as musk thistle, as needed. Noxious weeds are identified by our third party stormwater contractor during its 14 day active construction inspections. When weeds are identified by the contractor's inspection they are assigned a corrective action of either spraying or mowing, which action is then promptly executed. Extraction will continue to inspect for and control weeds throughout the life of the location until final reclamation is complete

COGCC Decision: Approved pending re-inspection

COGCC
Representative:

COGCC
Supervisor: Approved pending re-inspection of this FIR resolution acknowledges the document was received. It is not an acknowledgement that the corrective action has been passed. A field inspection will be conducted at a future date to evaluate compliance with COGCC standards.

COGCC's expectation is that weed control is in compliance with the Rules at all times.

4 ☒ CA# 117114

Corrective Action: Perform the corrective action immediately to avoid potential increases in penalties.

Date: _____

Response: CA COMPLETED

Date of Completion: 07/09/2018

Operator
Comment: Extraction respectfully disagrees with the statement that this location is not in compliance with Rule 1002.c. Rule 1002.c. states, with emphasis added: "All stockpiled soils shall be protected from degradation due to contamination, compaction, and, to the extent practicable, from wind and water erosion during drilling and

production operations. Best management practices to prevent weed establishment and to maintain soil microbial activity shall be implemented."

As show in COGCC inspection photos #s 20 and 21, Extraction has employed BMPs to comply with Rule 1002.c. There is surface roughening tracked in the correct orientation on the topsoil stockpile, which is a widely accepted industry standard BMP. Extraction also seeded the topsoil pile with a fast growing low growth barley, which it employs as a BMP against erosion and weed establishment. Cheatgrass noted in photo #21 was sprayed prior to the inspection, and the cheatgrass is dead in the photo the COGCC inspector took. The erosion documented in the COGCC inspection photos was due to a significant hail storm that brought a large downpour to the location on 6/24/18. This large downpour event combined with BMP clogging hail did create some erosion despite implementation of Extraction's industry standard BMPs. In fact, the 6/24 storm event was not the only storm, but the last in a series of microburst downpours starting on 6/19 that brought extremely heavy rain and damaging golf ball size hail to the location and surrounding area. Attached Photo #10 shows the entire topsoil pile in context (not merely a small portion of the damaged area shown in inspection photo #20 that is currently being repaired), which shows that the surface roughening and seeding erosion BMPs worked across the overwhelming majority of the stockpile. Extraction's third party stormwater contractor performed a post-event inspection on 6/25 and identified its own internal corrective actions that it was in the process of evaluating and implementing at the time of the inspection on 6/27. Work is still continuing through 7/9/18 as saturated soils do create a technical and safety issue to work damaged slopes, but repair will be done as soon as feasible. Extraction is in compliance with its storm water permit, has received no NOAVs from CDPHE's Water Quality Control Division, and was performing the corrective actions from the large downpour event at the most immediate time it was feasible and safe to perform the internal corrective actions. Extraction notes that its third party stormwater contractor did not observe sediments or pollutants leaving the location. When the ground is dry enough for safe operation of equipment on the slopes, Extraction will repair damage to the slopes caused by the storm event and retrack the surfaces. As shown in attached Photos #3 & 9, Extraction has, as a temporary BMP, constructed a berm as below the slopes to control sediment until such time the slopes can be safely repaired.

Insofar as the inspector believed there to be compaction, Extraction notes that in the process of removing the sound walls, machinery had to drive along the uppermost portions of the topsoil pile to safely reach and remove the sound walls in order to initiate the first phase of our interim reclamation. Any perceived compaction will be alleviated in the interim reclamation dirt work phase, which began after the sound wall removal was complete on 6/28. In sum, Extraction has and will continue to protect the stockpile to the extent practicable with industry standard BMPs.


COGCC Decision: **Not Approved**

COGCC
Representative:

COGCC
Supervisor:

The FIRR, Corrective action complete section, is not a forum for Extraction to disagree/argue with the corrective actions. COGCC is unable to approve this resolution as the corrective actions have not been completed.

Note: Inspector has photo documentation of sediment discharge off location.

5  CA# 117115

Corrective Action: Perform the corrective action immediately to avoid potential increases in penalties.

Date: _____

Response: CA COMPLETED

Date of Completion: 07/09/2018

Operator
Comment:

Extraction respectfully disagrees with the statement that this location is not in compliance with Rule 1002.e. Extraction believes the inspector is citing rule 1002.e.(1) which states, with emphasis added: "In order to reasonably minimize land disturbances and facilitate future reclamation, well sites, production facilities, gathering pipelines, and access roads shall be located, adequately sized, constructed, and maintained so as to reasonably control dust and minimize erosion ,alteration of natural features, removal of surface materials, and degradation due to contamination."

Extraction utilized surface roughening, which is an industry standard and reasonable erosion BMP on its fill slopes to minimize erosion. Rule 1002.e. does not state operators cannot have any erosion or must eliminate erosion, but that operators must minimize erosion, which Extraction did with its BMPs. Again, a series of downpour events, culminating in a large downpour event with significant hail on 6/24 , led Extraction to perform its internal post event inspection on 6/25, and Extraction was in the process of evaluation and performing its internal corrective actions when the inspector inspected the location on 6/27. These actions included: repairing and maintaining any damaged or sediment filled BMP, removing and replacing any BMP that did not function, and removing any unneeded BMP due to vegetation establishment. Extraction notes that its third party contractor did not observe sediments or pollutants leaving the location.

COGCC Decision: **Not Approved**

COGCC
Representative:

COGCC
Supervisor:

The FIRR, Corrective action complete section, is not a forum for Extraction to disagree/argue with the corrective actions. COGCC is unable to approve this resolution as the corrective actions have not been completed.

Note: Inspector has photo documentation of sediment discharge off location.

6  CA# 117116

Corrective Action: Perform the corrective action immediately to avoid potential increases in penalties.

Date: _____

Response: CA COMPLETED

Date of Completion: 07/09/2018

Operator
Comment:

Extraction is in compliance with interim reclamation rules. Rule 1003.b. states, with emphasis added: All disturbed areas affected by drilling or subsequent operations, except areas reasonably needed for production operations or for subsequent drilling operations to be commenced within twelve (12) months, shall be reclaimed as early and as nearly as practicable to their original condition or their final land use as designated by the surface owner and shall be maintained to control dust and minimize erosion to the extent practicable. As to crop lands, if subsidence occurs in such areas additional topsoil shall be added to the depression and the land shall be re-leveled as close to its original contour as practicable. Interim reclamation shall occur no later than three (3) months on crop land or six (6) months on non-crop land after such operations unless the Director extends the time period because of conditions outside the control of the operator. Areas reasonably needed for production operations or for subsequent drilling operations to be commenced within twelve (12) months shall be compacted, covered, paved, or otherwise stabilized and maintained in such a way as to minimize dust and erosion to the extent practicable."

The assertion the inspector is making is premised on the incorrect assumption that the three month timeline starts on the date of first production. The Rule states, however, that the timeline starts after subsequent operations, when there are subsequent operations necessary on the location. The entire disturbance area was needed for subsequent operations after the date of first production. These operations include:

-Areas needed for temporary water storage and emission devices for this storage; which were removed post-inspection on 6/28/18.

-Area on the location around the production that are needed for crane staging (the cranes have been staged three times since first production for compressor swaps and additions).

-The elevated portion of the west side is still being utilized as a staging area for the removal of the sound walls and will be the staging area to stockpile removed road base to minimize truck traffic during the 71st Ave construction as part of the reclamation plan. Extraction started removing the sound walls on 6/13/18 as the start of its interim reclamation. Extraction finished removing the sound walls on 6/28/18. The location is in the process of having interim reclamation performed, see attached photo #4. Extraction starts its interim reclamation by removing the sound walls so it can begin dirt work for reclamation.

COGCC Decision: **Not Approved**

COGCC
Representative:

COGCC
Supervisor:

The FIRR, Corrective action complete section, is not a forum for Extraction to disagree/argue with the corrective actions. COGCC is unable to approve this resolution as the corrective actions have not been completed.

7  CA# 117117

Corrective Action: Perform the corrective action immediately to avoid potential increases in penalties.

Date: _____

Response: CA COMPLETED

Date of Completion: 07/09/2018

Operator
Comment:

Extraction's third party inspector who performed the post event inspection did not observe any discharge of sediment off location. However, as part of its own internal corrective actions, Extraction is performing maintenance on all its BMPs as soon as practicable. Safety issues from saturated slopes are preventing immediate repair to the slopes but Extraction has implemented temporary BMPs, see attached Photo #3. The inspector uses COGCC photos #s 3 and 4 to suggest that sediment has discharged beyond the location, but this is not the case and, indeed, several BMPs remain, which were waddles along the access road. The waddles were removed as part of Extraction maintenance on 7/9 since vegetation has taken root. The ultimate end point of COGCC pictures #s 3 and 4 is the outlet along the access road, which, as shown in COGCC photo #2, does not have sediment discharge. The inspector also cites COGCC photo #14 in which sediment "appears" to be beyond the outlet area. However, the photo shows the rock outfall is still exposed and not filled in with sediment. It therefore functioned as intended and sediment did not discharge beyond the outlet area, as reflected in attached photo # 6.

COGCC Decision: **Not Approved**

COGCC
Representative:

COGCC
Supervisor:

The FIRR, Corrective action complete section, is not a forum for Extraction to disagree/argue with the corrective actions. COGCC is unable to approve this resolution as the corrective actions have not been completed.

Note: Inspector has photo documentation of sediment discharge off location.

OPERATOR COMMENT AND SUBMITTAL

Comment:

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Jeff Rickard

Signed:

Title: Regulatory Compliance Co

Date: 7/11/2018 9:01:11 AM

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

<u>Document Number</u>	<u>Description</u>
401692490	FIR RESOLUTION SUBMITTED
401699017	Location Photos
401699162	Third Party Post Event Stormwater Inspection

Total Attach: 3 Files