

# CDG Morgan Hill, Inc.

January 21, 2019

Mr. Chris Binschus  
State of Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, CO 80203

Re: Woolley A-1-7 Plug and Abandonment

Dear Mr. Binschus:

CDG Morgan Hill, Inc. owns the surface of the Woolley A-1-7 well area that was recently plugged and abandoned by Crestone Peak Resources. We have worked closely with Crestone on a number of oil and gas issues in our Morgan Hill project.

In the case of the Woolley A-1-7 well, Crestone worked with us to P & A the well within our time frame and CDG Morgan Hill, Inc. agreed to be responsible to finish the grading and re-establish the grasses. As you saw from your site visit, we are well into the land development of the lots adjacent to the well site. As we complete the streets and utilities, we will finish grade the lots, including the well area, and revegetate the areas in compliance with our State Storm Water Management Plan. It was our preference to be able to seed the well area with our specific seed mix rather than have Crestone start with a less attractive seed mix.

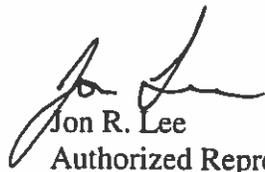
I apologize that at the time of your site visit our SWMP contractors had left an unsightly pile of silt fence and cardboard rolls on the well area. We are getting this cleaned up!

In summary, CDG Morgan Hill Inc. has accepted the responsibility of final grade and revegetation of the Woolley A-1-7 plugged and abandoned well site. Crestone and CDG Morgan Hill, Inc. are in agreement on this issue.

If you have further concerns or questions, please call or e-mail me (303/442-2299; jonrlee@cdgcolorado.com).

Sincerely

CDG MORGAN HILL, INC.

  
Jon R. Lee  
Authorized Representative

2500 Arapahoe Avenue, Suite 220, Boulder, Colorado 80302  
(303) 442-2299 ... Fax (303) 442-1241  
[www.communitydevelopmentgroup.com](http://www.communitydevelopmentgroup.com)

**FORM  
INSP**  
Rev  
X/15

**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:  
01/02/2019  
Submitted Date:  
01/08/2019  
Document Number:  
682404377

**FIELD INSPECTION FORM**

Loc ID 318443 Inspector Name: Binschus, Chris On-Site Inspection  2A Doc Num: \_\_\_\_\_

**Status Summary:**  
 THIS IS A FOLLOW UP INSPECTION  
 FOLLOW UP INSPECTION REQUIRED  
 NO FOLLOW UP INSPECTION REQUIRED

**Operator Information:**  
OGCC Operator Number: 10633  
Name of Operator: CRESTONE PEAK RESOURCES OPERATING LLC  
Address: 1801 CALIFORNIA STREET #2500  
City: DENVER State: CO Zip: 80202

**Findings:**  
4 Number of Comments  
2 Number of Corrective Actions  
 Corrective Action Response Requested

**ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE**

**Contact Information:**

Contact Name	Phone	Email	Comment
		cogcc.inspections@crestonepr.com	ALL INSPECTIONS

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
318443	LOCATION	CL				WOOLLEY 61N68W 7 SWNE PAD	RI

**General Comment:**

This is a Final Reclamation Inspection for PA Well API#123-09093. Well was plugged and abandoned 03/16/2017.

**Location**

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action:

Date:

**Good Housekeeping:**

Type TRASH

Comment: Trash was observed at the PA location.

Corrective Action: Comply with Rule 603.f.

Date: 01/22/2019

Overall Good:

**Spills:**

Type Area Volume

In Containment: No

Comment:

Multiple Spills and Releases?

**Venting:**

Yes/No

Comment:

Corrective Action:

Date:

**Flaring:**

Type

Comment:

Corrective Action:

Date:

**Inspected Facilities**

Facility ID: 318443 Type: LOCATION API Number: - Status: CL Insp. Status: RI

**Reclamation - Storm Water - Pit**

**Interim Reclamation:**

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: DRY LAND

Comment: \_\_\_\_\_

**1002 SITE PREPARATION AND STABILIZATION**

1002a. FENCING \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1002b. SOIL REMOVAL AND SEGREGATION \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1002c. PROTECTION OF SOILS \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1002E. SURFACE DISTURBANCE MINIMIZATION \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1003a. Waste and Debris removed? \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

Unused or unneeded equipment onsite? \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

Pit, cellars, rat holes and other bores closed? \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

Guy line anchors marked? \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

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

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ 80% Revegetation \_\_\_\_\_

1003e. INTERIM VEGETATION TRANSECT  
 TRANSECT RESULTS OF DISTURBED AREA% \_\_\_\_\_  
 TRANSECT RESULTS OF REFERENCE AREA% \_\_\_\_\_  
 TOTAL % OF DESIRABLE VEGETATION COVER \_\_\_\_\_  
 VEGETATIVE COVER \_\_\_\_\_

1003 f. Weeds Noxious weeds? \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

Overall Interim Reclamation

**Final Reclamation/ Abandoned Location:**

Date Final Reclamation Started: \_\_\_\_\_ Date Final Reclamation Completed: \_\_\_\_\_

Final Land Use: RESIDENTIAL

Reminder: \_\_\_\_\_

Comment: \_\_\_\_\_

Well plugged Pass Pit mouse/rat holes, cellars backfilled \_\_\_\_\_  
 Debris removed \_\_\_\_\_ No disturbance /Location never built \_\_\_\_\_  
 Access Roads Regraded Contoured \_\_\_\_\_ Culverts removed \_\_\_\_\_  
 Gravel removed Fail

Location and associated production facilities reclaimed Fail Locations, facilities, roads, recontoured Fail  
 Compaction alleviation Fail Dust and erosion control \_\_\_\_\_  
 Non cropland: Revegetated 80% \_\_\_\_\_ Cropland: perennial forage Fail  
 Weeds present \_\_\_\_\_ Subsidence \_\_\_\_\_

1004.d. FINAL VEGETATION TRANSECT  
 TRANSECT RESULTS OF DISTURBED AREA% \_\_\_\_\_  
 TRANSECT RESULTS OF REFERENCE AREA% \_\_\_\_\_  
 TOTAL % OF DESIRABLE VEGETATION COVER \_\_\_\_\_  
 VEGETATIVE COVER \_\_\_\_\_

Comment:

Inspector Name: Binschus, Chris

This location is not in compliance with Rule 1004. Reclamation rules require reclamation activities to be conducted within three months of plugging on cropland. Well was plugged 3/16/2017. Operator has failed to perform final reclamation activities (i.e., remove gravel, decompaction, seedbed prep and seed). Refer to the attached inspection photos.

City of Erie housing development is planned for the adjacent areas south of the location but not for the oil and gas location.

Corrective Action: Comply with Rule 1004. Corrective action date is being back dated to when all final reclamation activities should have been completed.

Date 06/16/2017

Overall Final Reclamation

Fail

Well Release on Active Location

Multi-Well Location

### Attached Documents

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

Document Num	Description	URL
682404378	Inspection Photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4697069">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4697069</a>