

**FORM
INSP**Rev
X/20**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:

05/28/2024

Submitted Date:

05/28/2024

Document Number:

715500087**FIELD INSPECTION FORM**Loc ID 315166 Inspector Name: Burchett, Kirby On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**ECMC Operator Number: 10779Name of Operator: SCOUT ENERGY MANAGEMENT LLCAddress: 13800 MONTFORT DRIVE SUITE 100City: DALLAS State: TX Zip: 75240**Status Summary:**

- ☐ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED

Findings:24 Number of Comments5 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 |
|---------------------|----------------|-------------------------------|---------|
| Patterson, Chris | | Chris.Patterson@scoutep.com | |
| Regulatory, Rangely | | RangelyRegulatory@scoutep.com | |
| Wilson, Justin | (970) 878-3825 | jrwilson@blm.gov | |
| Sanford, Anita | (970) 551-8313 | Anita.Sanford@scoutep.com | |
| Johnson, Mike | | Mike.Johnson@scoutep.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 230357 | WELL | SI | 12/01/2023 | GW | 103-08019 | HILL 7-6 | SI |

General Comment:**ECMC Inspection Report Summary**

On Monday, 05/28/2024, Inspector Kirby Burchett, conducted a routine field inspection at Scout Energy Management LLC on the Husky 7-6 well, Location #315166, in Rio Blanco County, Colorado.

This location is within or in close proximity to a Parks and Wildlife (CPW) District with High Priority, NSO, and Density Habitat regulations.

While there during normal operations the following compliance issues were observed:

1. Random debris.
2. Stained soil.
3. Tanks missing required information.
4. Open ended load line.

Refer to Inspection Photos for observed compliance issues.

A follow up on this site inspection will be conducted to ensure all compliance issues have been corrected to comply with ECMC rules.

LocationOverall Good: ☐**Signs/Marker:**

| | | | |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|
| Type | OTHER | | |
| Comment: | As Location Entrance signs are replaced: The Well name; The Commission's Location identification number (ID #); The Operator's telephone number where it may be reached at all times; and the Telephone number(s) for local emergency services (911 where available) will be required. | | |
| Corrective Action: | | Date: | |
| Type | CONTAINERS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | As Wellhead signs are replaced: The Well name; The API Number; and Its legal location, including the quarter/quarter section will be required. | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | Tank battery sign missing with required information | | |
| Corrective Action: | The Tank battery sign will be no less than 3 square feet and no more than 6 square feet, and will provide: Name of the Operator; Telephone number at which the Operator can be reached at all times; Telephone number for local emergency services (911 where available); The public road used to access the Tank battery site; Well name(s) and API number(s) associated with the Tank battery and the legal location of the Well(s); and Location, including the quarter/quarter section, of the Tank battery. | Date: | 06/28/2024 |

Emergency Contact Number:

| | | |
|--------------------|---------------------|-------------|
| Comment: | 970-675-3700 or 911 | |
| Corrective Action: | | Date: _____ |

Good Housekeeping:

| | | | |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|
| Type | DEBRIS | | |
| Comment: | Random debris | | |
| Corrective Action: | All excess materials, rubbish, supplies, trash, or other waste material will be properly contained until removed from the Oil and Gas Location. At no time will debris be placed or remain on the ground. | Date: | 06/05/2024 |

Overall Good: ☐**Spills:**

| | | | | |
|--------------------|--------------------------------------------------------------|----------|--|------------------|
| Type | Area | Volume | | |
| Crude Oil | Separator | <= 1 bbl | | |
| Comment: | Covered and scattered staining | | | |
| Corrective Action: | Remove and properly dispose of oily waste and impacted soil. | | | Date: 06/13/2024 |
| Crude Oil | Tank | <= 1 bbl | | |
| Comment: | Stained soil around tank | | | |
| Corrective Action: | Remove and properly dispose of oily waste and impacted soil. | | | Date: 06/13/2024 |

In Containment: Yes

Comment: ☐ Multiple Spills and Releases?

| | | | |
|-------------------------------|-----------------------------------|-------|-----------------|
| Fencing/: | | | |
| Type | PUMP JACK | | |
| Comment: | Double rail with livestock panels | | |
| Corrective Action: | | Date: | |
| Type | IGNITOR/COMBUSTOR | | |
| Comment: | Double rail | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Double rail | | |
| Corrective Action: | | Date: | |
| Equipment: | | | corrective date |
| Type: Bird Protectors | # 3 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Chemical tank on containment | | |
| Corrective Action: | | Date: | |
| Type: Emission Control Device | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Pump Jack | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Propane tank | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 1 | | |
| Comment: | 400 gal vent tank | | |
| Corrective Action: | | Date: | |
| Type: Vertical Heater Treater | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: FWKO | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Deadman # & Marked | # 4 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 1 | | |
| Comment: | Double access | | |

| | | | |
|----------------------------|-------------------|-------|--|
| Corrective Action: | | Date: | |
| Type: Horizontal Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Other | # 1 | | |
| Comment: | Line heater | | |
| Corrective Action: | | Date: | |
| Type: Prime Mover | # 1 | | |
| Comment: | Recycle | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 1 | | |
| Comment: | 140 gal drip tank | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|------------------------------------------------------------------------------------------|----------|-----------|---------|------------------|
| PRODUCED WATER | 1 | 400 BBLS | STEEL AST | | , |
| Comment: | Open ended load line | | | | |
| Corrective Action: | All load lines or tank valves that can be used as a load line will be capped or plugged. | | | | Date: 06/03/2024 |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|----------|---------------------|---------------------|-------------|
| Earth | Adequate | | | |
| Comment: | Unlined | | | |
| Corrective Action: | | | Date: | |

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| CONDENSATE | 1 | 300 BBLS | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | Date: | | |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------|----------|---------------------|---------------------|-------------|
| Earth | Adequate | | | |

| | | | | | | | | |
|--------------------|----------|---------------------|---------------------|-------------|--------|-------|-------|--|
| Comment: | | Lined | | | | | | |
| Corrective Action: | | | | | | | Date: | |
| Contents | # | Capacity | Type | Tank ID | SE GPS | | | |
| CRUDE OIL | 2 | 400 BBLs | STEEL AST | | , | | | |
| Comment: | | | | | | | | |
| Corrective Action: | | | | | | | Date: | |
| <u>Paint</u> | | | | | | | | |
| Condition | Adequate | | | | | | | |
| Other (Content) | | | | | | | | |
| Other (Capacity) | | | | | | | | |
| Other (Type) | | | | | | | | |
| <u>Berms</u> | | | | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | | | |
| Earth | Adequate | | | | | | | |
| Comment: | | Unlined | | | | | | |
| Corrective Action: | | | | | | | Date: | |
| <u>Venting:</u> | | | | | | | | |
| Yes/No | NO | | | | | | | |
| Comment: | | | | | | | | |
| Corrective Action: | | | | | | Date: | | |
| <u>Flaring:</u> | | | | | | | | |
| Type | | | | | | | | |
| Comment: | | | | | | | | |
| Corrective Action: | | | | | | Date: | | |

| Inspected Facilities | | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 230357 | Type: | WELL | API Number: | 103-08019 | Status: | SI | Insp. Status: | SI |
| Idle Well | | | | | | | | | |
| Purpose: <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned Reminder: _____ | | | | | | | | | |
| Comment: <div>Last Production - November 2023 March 2024 Production Report</div> | | | | | | | | | |
| Corrective Action: _____ Date: _____ | | | | | | | | | |

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Reclamation - Storm Water - Pit

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|----------------------------------------|--------------------------|---------|
| Berms | | | | | | |
| | | | | Material Handling And Spill Prevention | | |
| | | Ditches | | | | |

Comment: Operator is responsible for maintaining Best Management Practices (BMPs) to control vehicle tracking and potential sediment discharges from operational roads, well pads, and other unpaved surfaces.

Corrective Action:

Date:

Pits: ☒ NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 715500088 | Inspection Photos | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6565487 |