

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



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Inspection Date:
07/05/2012

Document Number:
666700002

Overall Inspection:
Unsatisfactory

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: KOESELL, ARTHUR
	428957	428957		

Operator Information:

OGCC Operator Number: 10404 Name of Operator: WINN EXPLORATION CO INC
 Address: 800 NORTH SHORELINE DR
 City: CORPUS CHRISTI State: TX Zip: 78401

Contact Information:

Contact Name	Phone	Email	Comment
Smith, Jace	406-490-2838	jacesmith@hotmail.com	Drilling Engineer
Murr, Rodney	(361) 844-6983	rmurr@winnexco.com	Operations Manager

Compliance Summary:

QtrQtr: NWSE Sec: 27 Twp: 19S Range: 70W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
06/14/2012	663600163			U			N

Inspector Comment:

Winn Exploration has expanded the disturbed area beyond the 5.73 acres described in the approved 2A and shown on the Location Drawing included with the 2A. The area to the North of the pad has been disturbed and is being used as storage area for drilling equipment (See attached photos). The expanded disturbance did not have any stormwater controls or other BMPs.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name
428958	WELL	DG	05/31/2012		043-06215	SLANOVICH 34-27

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: <u>1</u>	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>1</u>	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: <u>1</u>	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: <u>1</u>
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>1</u>	Oil Tanks: <u>2</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Emergency Contact Number: (S/U/V) _____ 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/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 428957

Site Preparation:

Lease Road Adeq.: Unsatisfactory Pads: Unsatisfactory Soil Stockpile: Satisfactory

Corrective Action: See Comments Below Date: 08/06/2012 CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	koepsear	Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for South Eastern Colorado (Arthur Koepsell; email Arthur.Koepsell@state.co.us), the COGCC Field Inspection Supervisor for Southern Colorado (Mike Leonard; email Mike.Leonard@state.co.us) 48 hours prior to commencing pad construction via form 42.	05/10/2012
OGLA	koepsear	The pit will be closed through the Form 27 process.	04/23/2012
OGLA	koepsear	Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for South Eastern Colorado (Arthur Koepsell; email Arthur.Koepsell@state.co.us), the COGCC Field Inspection Supervisor for Southern Colorado (Mike Leonard; email Mike.Leonard@state.co.us) 48 hours prior to mobilizing a drill rig to the location via form 42.	05/10/2012
OGLA	koepsear	Due to the likely hood of oil being received in the pit and exceeding 10,000 ppm TPH an approved Pit Permit (Form 15) will be required prior to pit construction. The form 15 shall include a pit management plan how oil will be managed in the pit.	04/23/2012
OGLA	koepsear	Operator must implement site-specific best management practices in accordance with good engineering practices, including, but not limited to, construction of a berm or diversion dike, site grading, or other comparable measures, sufficient to protect intermittent stream located 286 feet South-East of the staked oil and gas location from a release of drilling, completion, produced fluids, and chemical products.	04/23/2012
OGLA	koepsear	Location is in a sensitive area because of shallow groundwater; therefore, either a lined drilling pit or closed loop system is required.	04/23/2012

Comment: Winn Exploration has expanded the disturbed area beyond the 5.73 acres described in the approved 2A and shown on the

CA: File a form 4 modifying the 2A to include the expanded disturbed and includes a detailed site plan **Date:** 08/06/2012

Wildlife BMPs:

BMP Type	Comment
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.

Construction	Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.
Final Reclamation	All surface restoration shall be accomplished to the satisfaction of Owner. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner. Final reclamation shall be completed to the reasonable satisfaction of the Owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).
Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
Drilling/Completion Operations	When available and reasonable use a closed-loop drilling mud system to preclude the use of an earthen reserve pits when available.
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).
Site Specific	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. Operator will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used by operator, its employees, or contractors cross through fences on the leased premises.

Comment: _____

CA: _____ **Date:** _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
BERMS	Yes		

Corrective Action: _____ Date: _____

Comments: Erosion BMPs: _____

Other BMPs: _____

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:

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:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

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: RANGELAND

Comment: _____

1003a. Debris removed? _____ CM _____ CA _____ CA Date _____

Waste Material Onsite? _____ 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 removed? _____ 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

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: RANGELAND _____

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

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/U/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits:

Pit Type: Drilling Pit Lined: YES Pit ID: _____ Lat: 38.363480 Long: -105.207370

Lining:

Liner Type: _____ Liner Condition: Adequate

Comment: _____

Fencing:

Fencing Type: None Fencing Condition: _____

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: YES Oil Accumulation: NO 2+ feet Freeboard: _____

Pit (S/U/V): Unsatisfactory Comment: Pit does not have an Approved pit permit permit as required on the Form 2A.

Corrective Action: File a form 15 and waste management plan as required by the Form 2A. Date: 07/16/2012

COGCC Comments

Comment	User	Date
<p>Winn Exploration has expanded the disturbed area beyond the 5.73 acres described in the approved 2A and shown on the included Location Drawing. The area to the North of the pad has disturbed and was being used to store as a storage area drilling equipment (See attached photos). The expanded disturbance did not have any stormwater controls or other BMPs.</p> <p>COGCC Rule 1002.e.(1) states that 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.</p> <p>The expansion of the disturbed area on the Slanovich 34-27 does not follow the intent of rule 1002.e.(1).</p> <p>Corrective actions File a form 4 modifying the 2A to include the expanded disturbed and includes a detailed site plan showing the current drilling pad and all disturbed area associated with it. Document why the expansion of the disturbed area took place. Remove the equipment from unapproved disturbed area north of the pad location. Begin reclamation of the unapproved disturbed area including stormwater controls, re-contouring and re-seeding. Recontouring and Reseeding should be complete by 8/6/2012.</p>	koepsear	07/09/2012

Attached Documents

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

Document Num	Description	URL
666700011	Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=2949326