

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		DE ET OE ES
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Inspection Date: 12/17/2012

Document Number: 668200366

Overall Inspection: **Violation**

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Tracking Type	Inspector Name: <u>LEONARD, MIKE</u>
	<u>428931</u>	<u>428932</u>		

Operator Information:

OGCC Operator Number: 10133 Name of Operator: HILCORP ENERGY COMPANY

Address: P O BOX 61229

City: HOUSTON State: TX Zip: 77208

Contact Information:

Contact Name	Phone	Email	Comment
McKnight, John	713-209-2494	jmcknight@hilcorp.com	

Compliance Summary:

QtrQtr: Lot 3 Sec: 6 Twp: 14S Range: 63W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
12/11/2012	668200364	DG	DG	V			Y
11/21/2012	668200327	XX	DG	S			N
11/20/2012	668200321	XX	DG	S			N

Inspector Comment:

INSPECTION IN RESPONSE TO FAILURE OF FRESHWATER STORAGE TANK. UPPER LEVEL TANK FAILED AND CAUSED FAILURE OF LOWER TANK

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
428931	WELL	DG	11/18/2012	LO	041-06072	Myers 21-06CH	<input checked="" type="checkbox"/>

Equipment: Location Inventory

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

Location

Emergency Contact Number: (S/U/V) _____ Corrective Date:

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date

Multiple Spills and Releases?

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 428932

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	koepsear	The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.	03/28/2012
OGLA	koepsear	In accordance with COGCC Rule 1002.f.(2)A. & B., during drilling and completion operations the operator shall provide a designated storage area for dry bulk chemicals and miscellaneous fluids. The storage area shall be covered to prevent contact of precipitation with chemicals, shall be elevated above storm- or standing water, and shall provide sufficient containment to prevent release of spilled fluids or chemicals from impacting soil, surface water or groundwater and will prevent the co-mingling of spilled fluids or chemicals with other E & P Waste.	03/28/2012

<p>OGLA</p>	<p>koepsear</p>	<p>Baseline water sampling</p> <p>The operator will conduct baseline sampling of (at a minimum) the two (2) closest water wells. The operator may conduct additional groundwater monitoring at their own discretion.</p> <p>Laboratory analysis at a minimum will include the following: pH (lab) TDS Conductivity (lab, not resistivity) SAR calculation Ca, K, Mg, Na, As, B, Ba, Cd, Cr, Cu, Fe, Mn, Pb, Se (all total recoverable) Br, Cl, F, SO4, Alkalinity (Total, HCO3 and CO3 – all expressed as CaCO3) benzene toluene ethyl benzene o-xylene m- + p-xylene Dissolved Methane MBAS, DRO, GRO Field parameters including pH, Temperature and Conductivity shall be recorded prior to collecting the sample for laboratory analysis. Field observations such as odor, water color, sediment, bubbles and effervesce shall also be included.</p> <p>If free gas or a dissolved methane concentration level greater than one (1) milligrams per liter (mg/l) is detected in a water well, gas compositional analysis and stable isotope analysis of the methane (carbon and deuterium) shall be performed to determine gas type (biogenic or thermogenic). If the methane concentration increases by more than five (5) mg/l between sampling periods, or increases to more than ten (10) mg/l, the operator shall notify the Director and the owner of the water well immediately. If thermogenic methane concentrations increase between sampling periods, the operator shall submit to the Director an action plan to determine the source of the increase.</p> <p>The selected sampling locations will be sampled again 1 year, 3 years and 6 years after completion. Post completion sampling of water wells will consist of the same analyte list as the pre-drilling program. Copies of all test results, field parameters and field observations described above shall be provided to the Director, and the water well owner within three (3) months of collecting the samples. The analytical data and surveyed sample locations shall also be submitted to the Director in an electronic data deliverable format approved by Director.</p> <p>Participating in the COGA voluntary baseline water quality monitoring program meets the requirements of this COA.</p>	<p>03/28/2012</p>
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Comment:

CA:

Date:

Wildlife BMPs:

BMP Type	Comment
<p>PROPOSED BMPs</p>	<p>The following were agreed to as COAs through the approval of Form 4 Sundry Notice, Doc #2516277:</p> <ol style="list-style-type: none"> 1. Large volume temporary storage tank will be placed on the cut side of the location expansion, not on fill material. 2. Only fresh water is permitted to be stored in large volume temporary storage tank(s); flowback or produced fluids shall not be placed in large volume temporary storage tanks. 3. Any tanks containing flowback and/or produced fluids shall be placed on a sufficiently impervious area of the pad with adequate secondary containment. 4. Dust mitigation shall be employed at the location and on the access road during construction, mobilization, and water hauling, and shall be employed for any spoils piles (including topsoil) and fill slopes.
<p>Storm Water/Erosion Control</p>	<p>Storm water BMPs will be implemented for stormwater and sedimentary control.</p>

Comment:

CA:

Date:

Stormwater:

Erosion BMPs	Present	Other BMPs	Present

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:

Facility

Facility ID: 428931 Type: WELL API Number: 041-06072 Status: DG Insp. Status: WO

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? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? Pass CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? In CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? In 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 In Process

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 _____

Inspector Name: LEONARD, MIKE

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 _____ Multi-Well Location

Storm Water:

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

S/U/V: **Violation** Corrective Date: **03/31/2013**
Comment: FAILURE OF FERESHWATER TANKS CAUSED SEDIMENT TO BE TRANSPORTED OFF OF CONSTRUCTED LOCATION AND INTO PASTURE TO SOUTH AND EAST OF LOCATION
CA: PROVIDE ACCIDENT REPORT FORM TO COGCC. SUBMIT ROOT CAUSE ANALYSIS FOR TANK FAILURE. PROVIDE REMEDIATION PLAN FOR REMEDIATION OF SEDIMENT TRANSPORTED INTO PASTURE PRIOR TO REMEDIATION. REMEDIATE SEDIMENT IN PASTURE SURROUNDING LOCATION. STABLIZATION OF CUT SLOPES NEED STO BE COMPLETED.