

Inspector Name: LONGWORTH, MIKE

**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
----	----	----	----

Inspection Date:

05/14/2013

Document Number:

663801018

Overall Inspection:

Unsatisfactory**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	415655	415655	LONGWORTH, MIKE	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number: 10433 Name of Operator: PICEANCE ENERGY LLC

Address: 1512 LARIMER STREET #1000

City: DENVER

State: CO

Zip: 80202

Contact Information:

Contact Name	Phone	Email	Comment
Bankert, Wayne	(970) 683-5419	wbankert@laramie-energy.com	Senior Regulatory & Environmental Coordinator

Compliance Summary:

QtrQtr: SWNW Sec: 17 Twp: 7S Range: 94W

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
415651	WELL	WO	05/27/2011	GW	045-19128	SAVAGE 18-01B	X
415700	WELL	WO	05/26/2011	GW	045-19140	SAVAGE 18-08C	X
415702	WELL	WO	05/27/2011	GW	045-19142	SAVAGE 18-07B	X

Equipment:Location Inventory

Special Purpose Pits: _____	Drilling Pits: 1	Wells: 13	Production Pits: _____
Condensate Tanks: 7	Water Tanks: _____	Separators: 4	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: 1	Oil Pipeline: _____	Water Pipeline: 1
Gas Compressors: _____	VOC Combustor: 1	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location**Lease Road:**

Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Access	Satisfactory			

Signs/Marker:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
WELLHEAD	Satisfactory			

Emergency Contact Number: (S/U/V) Satisfactory

Corrective Date: _____

Comment: _____

Inspector Name: LONGWORTH, MIKE

Corrective Action:

Good Housekeeping:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
OTHER	Unsatisfactory	Cellars and rat/mouse hole have storm water in them	Remove water from cellars and rat hole	05/15/2013
WEEDS	Satisfactory	Continue weed control		

Spills:

Type	Area	Volume	Corrective action	CA Date
Other			Dry drilling chemicals in south east corner of location at entrance. (39.44187 107.91886) Clean up dry chemical and report to COGCC the identity of chemical or chemicals.	05/17/2013

☐ Multiple Spills and Releases?

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

Predrill

Location ID: 415655

Site Preparation:

Lease Road Adeq.: Satisfactory

Pads: Satisfactory

Soil Stockpile: _____

Corrective Action: _____

Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
Agency	kubeczkod	<p>Project Rulison Form 2A Conditions of Approval (COAs) 14. COMPLY WITH ALL DOE OFFICE OF LEGACY MANAGEMENT REQUESTS FOR SAMPLING AND ANALYSIS OF NATURAL GAS AND OTHER MATERIALS ASSOCIATED WITH DRILLING AND PRODUCTION. 23. OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT WELL SITE DURING DRILLING AND COMPLETION OPERATIONS. IF FLUIDS ARE CONVEYED VIA PIPELINE, OPERATOR MUST IMPLEMENT BEST MANAGEMENT PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS. 25C. FLOWBACK TO TANKS ONLY. SUBMIT A SECONDARY AND TERTIARY CONTAINMENT PLAN VIA SUNDRY NOTICE FORM 4 FOR THE TANKS. ATTN: CHRIS CANFIELD. OBTAIN APPROVAL OF THE PLAN PRIOR TO FLOWBACK. 28. ALL MATERIALS REMOVED FOR SETTING THE CONDUCTOR OR FOR ANY OTHER EXCAVATION ON THIS SITE MUST BE SCREENED FOR GAMMA EMITTERS. IF ANY GAMMA EMITTER DETECTION ABOVE BACKGROUND IS ENCOUNTERED, THE OPERATOR MUST ISOLATE THE MATERIALS AND CONTACT COGCC, CDPHE, AND DOE FOR FURTHER INSTRUCTIONS. 31. PRODUCED WATER FROM THIS LOCATION MAY NOT BE TRANSPORTED TO OR RE-USED AT ANOTHER LOCATION WITHOUT SPECIFIC WRITTEN APPROVAL FROM COGCC AND ONLY AFTER ANALYSIS CONFIRMS COMPLIANCE WITH THE RULISON SAP. 32. DRILL SOLIDS AND CUTTINGS FROM THIS LOCATION MAY NOT BE TRANSPORTED TO, DISPOSED OF OR RE-USED AT ANOTHER LOCATION WITHOUT SPECIFIC WRITTEN APPROVAL FROM COGCC AND ONLY AFTER ANALYSIS CONFIRMS COMPLIANCE WITH THE RULISON SAP. 33. A CLOSED LOOP MUD SYSTEM SHALL BE UTILIZED TO ENSURE CONTAINMENT OF ALL MATERIALS THAT HAVE BEEN IN CONTACT WITH DOWNHOLE STRATA AND FLUIDS. ALL CUTTINGS AND FRESH MAKE UP WATER STORAGE PITS SHALL BE LINED TO ENSURE CONTAINMENT. CONTOUR FEATURES, FRENCH DRAINS AND OTHER STORMWATER BMPS AS NECESSARY SHALL BE EMPLOYED TO ENSURE SITE INTEGRITY. 34. NO INDIVIDUAL OPERATOR SHALL UTILIZE MORE THAN ONE RIG WITHIN ONE MILE OF THE PROJECT RULISON BLAST SITE AT ANY GIVEN TIME AND NO INDIVIDUAL OPERATOR SHALL UTILIZE MORE THAN TWO RIGS WITHIN A THREE MILE RADIUS OF THE SITE AT ANY GIVEN TIME. THE TOTAL NUMBER OF RIGS ALLOWED BY ALL OPERATORS WITHIN THREE MILES OF THE SITE SHALL BE LIMITED TO FIVE AT ANY GIVEN TIME. 35. OPERATOR SHALL COMPLY WITH ALL PROVISIONS OF THE MOST RECENT COGCC APPROVED REVISION OF THE RULISON SAMPLING AND ANALYSIS PLAN. IN ADDITION TO THE PRODUCED WATER SAMPLING AND ANALYSIS OUTLINED IN SECTION 5.8 OF THE PLAN THE OPERATORS SHALL ALSO OBTAIN AND ANALYZE PRODUCED WATER SAMPLES ON WELLS DESCRIBED IN THE PLAN FOR CONSTITUENTS LISTED IN THE PLAN USING THE SPECIFIED METHOD WHERE APPLICABLE. 37. PIT CONSTRUCTION SHALL COMPLY WITH THE "RESERVE PIT AND LINER DESIGN TECHNICAL SPECIFICATIONS," DATED JULY 2008. 38. 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. 39. NO PORTION OF ANY PIT THAT WILL BE USED TO HOLD LIQUIDS SHALL BE CONSTRUCTED ON FILL MATERIAL, UNLESS THE PIT AND FILL SLOPE ARE DESIGNED AND CERTIFIED BY A PROFESSIONAL ENGINEER, SUBJECT TO REVIEW AND APPROVAL BY THE DIRECTOR PRIOR TO CONSTRUCTION OF THE PIT. THE CONSTRUCTION AND LINING OF THE PIT SHALL BE SUPERVISED BY A PROFESSIONAL ENGINEER OR THEIR AGENT. THE ENTIRE BASE OF THE PIT MUST BE IN CUT.</p>	01/24/2010

Comment:

CA:

Date:

Wildlife BMPs:

BMP Type	Comment

PROPOSED BMPs	<p>PROPOSED BMP's</p> <p>LARAMIE ENERGY II, LLC</p> <p>Savage 17 -05</p> <p>Lat: 39.441426 Long: - 107.918610</p> <p>SWNW Sec. 17, Twn. 7S, Rng. 94W 6th PM</p> <p>Stormwater Management</p> <p>Stormwater Management will be managed under (Laramie Energy II) LE II's Stormwater Management Plan known as the "Savage Project Area" under a CDPHE General Permit issued by the CDPHE. See attached Stormwater Application and corresponding boundary map.</p> <p>Prior to construction a stormwater "perimeter" will be built around the site for initial work purposes. Once the pad construction is completed, LE II's Stormwater Administrator will inspect the site and install any necessary Erosion Control Devices to manage sediment discharge from the pad. These devices may include but are not limited to:</p> <p>Rock Check dams</p> <p>Settling ponds</p> <p>Straw waddles</p> <p>Silt Fencing (used sparingly)</p> <p>Once the final stormwater Erosion Control Devices are installed they will be mapped in GIS and a diagram of the site will be drafted and included as part of the Stormwater Documentation as required by the CDPHE General Permit.</p> <p>Each site will be inspected every 14 days and 72 hrs after any major storm event. These inspections will be recorded and documented in the Stormwater Manual onsite and any necessary repairs or modifications will be made and documented. Spill Prevention Control and Counter Measures (SPCC) Once the wells are drilled and completed onsite Laramie Energy II will prepare an SPCC plan for the site. The plan will be on file at Laramie's office in Grand Junction CO and main office in Denver CO</p> <p>STATE OF COLORADO</p> <p>STORMWATER DISCHARGE ASSOCIATED WITH CONSTRUCTION ACTIVITIES</p> <p>APPLICATION</p> <p>Please print or type. Original Ink signatures are required. This application must be considered</p>
---------------	---

complete by the Division before it all initiate permit processing. The Division will notify the applicant if additional information is needed to complete the application. If more space is required to answer any question, please attach additional sheets to the application form. Applications must be mailed or delivered

to:

Colorado Department of Public Health and Environment

Water Quality Control Division

4300 Cherry Creek Drive South

WQCD-P-B2

Denver, Colorado 80246 -1530

FAXES AND PDF COPIES WILL NOT BE ACCEPTED.

PERMIT INFORMATION

Applicant is: ? Property Owner ? Contractor/Operator

1. CONTACT INFORMATION

> Permit Applicant

Company Name: Laramie Energy II LLC

Legally Responsible Person: Bob Hea

Title: Vice President of Engineering & Operations

Mailing Address: 601 28 1/4 Road, Suite D

City, State and zip Code: Grand Junction, Colorado 81506

Phone: (303) 339 -4925

Email Address: bhea@laramie-energy.com

> Local Facility Contact ? Same as Applicant

Local Contact Person: Wayne Banker

Title: Senior Regulatory and Environmental Coordinator

Phone: (970) 683 -5419

Email Address: wbankert@laramie-energy.com

> Billing Contact ? Same as Applicant Company Name

Billing Contact Person:

Title:

Mailing Address:

City, State and Zip Code:

Phone:

Email Address:

Page 1 of 3 Revised 7/2009

PROPOSED BMPs

Water Quality Control Division — Stormwater www.coloradowaterpermits.com

2. PERMITTED FACILITY INFORMATION

Name of Plan, Project or Development: Savage Project Area

Location of construction site:

Street Address (or cross streets): Approximately 8 miles east of Parachute, Colorado

City (if unincorporated, so indicate): n/a County: Garfield

State and Zip Code: Colorado, n/a

Latitude and Longitude (approximate center of site to nearest 15 seconds using one of following formats)

Latitude: Longitude: le g.. 39°42'11', 104°55'57" I

OR

Latitude: 39.441 Longitude: -107.918 (e g 39 703° 104 933 1

degrees (to 3 decimal places) degrees (to 3 decimal places)

3. MAP (Attachment)

Map: Attach a map that indicates the site location and that CLEARLY shows the boundaries of the area that will be disturbed Maps must be no larger than 11x17 inches.

4. Legal description: if subdivided, provide the legal description below, or indicate that it is not applicable (do not supply Township|Range|Section or metes and bounds description of site)

Subdivision(s): Lot(s): Block(s):

OR

? Not applicable (site has not been subdivided)

5. AREA OF CONSTRUCTION SITE

Total area of project site (acres): 820

Area of project site to undergo disturbance (acres): 10

Total disturbed area of Larger Common Plan of Development or Sale, if applicable: n/a

(i.e., total, including all phases, filings, lots, and infrastructure not covered by this application)

6. NATURE OF CONSTRUCTION ACTIVITY

Check the appropriate box(s) or provide a brief description that indicates the general nature of the

construction activities (The full description of activities must be included in the Stormwater Management Plan.)

? Single Family Residential Development

? Multi-Family Residential Development

? Commercial Development

? Oil and Gas Production and/or Exploration (including pad sites and associated infrastructure)

? Highway/Road Development (not including roadways associated with commercial or residential development)

? Other. Describe:

7. ANTICIPATED CONSTRUCTION SCHEDULE

Construction Start Date: 01/01/2010

Final Stabilization Date 01/01/2013

Page 2 of 3 Revised 7;2009

Water Quality Control Division - Stormwater

8.. RECEIVING WATERS (If discharge is to a ditch or stone sewer, include the name of the ultimate receiving waters)

Immediate Receiving Water(s): Cache Creek

Ultimate Receiving Water(s): Colorado River

9. REQUIRED SIGNATURES (Both parts L and ii. must be signed)

STOP! A Stormwater Management Plan must be completed prior to signing the following certifications!

I. Stormwater Management Plan Certification

'I certify under penalty of law that a complete Stormwater Management Plan, as described in Appendix A of this application has been prepared for my activity. Based on my inquiry of the person or persons who manage the system. or those persons directly responsible to, gathering the information, the Stormwater Management Plan is, to the best of my knowledge and belief, true accurate and complete I am aware that there are significant penalties for falsely certifying the completion of said SWMP, including the possibility of fine and imprisonment for knowing violations.'

Signature of Legally Responsible Person (submission must include original ink signature)

Date Signed: 11-19-09

Name (Printed): Bob Hea Title: VP of Engineering & Operations

II. Signature of Permit Legal Contact

"I certify under penalty of law that I have personally examined and am familiar with the information submitted to this application and all attachments and that, based on my inquiry of those individuals immediately responsible for obtaining the information. I believe that the information is true, accurate and complete. I am aware that there are significant penalties for submitting false information. including the possibility of fine or imprisonment.

"I understand that submittal of this application is for coverage under the State of Colorado General Permit for Stormwater Discharges Associated with Construction Activity the entirety of the construction site/project described and applied for, until such time as the application is amended or the certification is transferred, inactivated, or expired."

Signature of Legally Responsible Person (submission must include original ink signature)

Date Signed: 11-19-09

Name (printed): Bob Hea Title: VP of Engineering & Operations

DO NOT INCLUDE A COPY OF THE STORMWATER MANAGEMENT PLAN

DO NOT INCLUDE PAYMENT - AN INVOICE WILL BE SENT AFTER THE CERTIFICATION IS ISSUED.

Page 3 of 3 Revised 7:2009

Comment:**CA:****Date:****Stormwater:**

Erosion BMPs	Present	Other BMPs	Present
DITCHES	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:

Inspector Name: LONGWORTH, MIKE

Landman Name: _____	Phone Number: _____
Date Onsite Request Received: _____	Date of Rule 306 Consultation: _____
Request LGD Attendance: _____	
<u>LGD Contact Information:</u>	
Name: _____	Phone Number: _____ Agreed to Attend: _____
<u>Summary of Landowner Issues:</u>	
<u>Summary of Operator Response to Landowner Issues:</u>	
<u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u>	

Facility

Facility ID: 415651 Type: WELL API Number: 045-19128 Status: WO Insp. Status: WO

Idle Well

Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____
S/V: _____ CA Date: _____
CA: _____
Comment: _____

Facility ID: 415700 Type: WELL API Number: 045-19140 Status: WO Insp. Status: WO

Idle Well

Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____
S/V: _____ CA Date: _____
CA: _____
Comment: _____

Facility ID: 415702 Type: WELL API Number: 045-19142 Status: WO Insp. Status: WO

Idle Well

Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____
S/V: _____ CA Date: _____
CA: _____
Comment: _____

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? Fail CM Drill pipe, well head bolts and nuts, pieces of black flex hose, tread protectorCA Pick up debris CA Date 06/01/2013Waste Material Onsite? Pass CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Fail CM Drill pipe, well head bolts and nutsCA Remove unneeded equipment CA Date 06/01/2013Pit, cellars, rat holes and other bores closed? Fail CM Rat/mouse holesCA Cut off pipe 6' bellow ground level and close holes CA Date 06/14/2013Guy line anchors removed? Pass CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

1003b. Area no longer in use? In Production areas stabilized ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass 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 REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? P

Comment: _____

Overall Interim Reclamation Fail**Final Reclamation/ Abandoned Location:**

Inspector Name: LONGWORTH, MIKE

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

Multi-Well Location



Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Berms	Pass	Culverts	Pass			
Seeding		Seeding				
Compaction	Pass	Compaction	Pass			
Ditches	Pass	Ditches	Pass			
Drains	Fail					
Gravel	Pass	Gravel	Pass			

S/U/V: Satisfactory

Corrective Date: _____

Comment: Continue maitaince on BMPs. Black flex hose used for drains are broken and smashed in several areas.

CA: _____