

<b>FORM INSP</b> Rev 05/11	<b>State of Colorado</b> <b>Oil and Gas Conservation Commission</b> 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: 08/23/2014

Document Number: 675100338

Overall Inspection: Satisfactory

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____
	<u>438181</u>	<u>438181</u>	<u>GRANAHAN, KYLE</u>		

**Operator Information:**

OGCC Operator Number: 47200 Name of Operator: KGH OPERATING COMPANY

Address: P O BOX 2235

City: BILLINGS State: MT Zip: 59103-

**Contact Information:**

Contact Name	Phone	Email	Comment
Kellerby, Shaun		shaun.kellerby@state.co.us	
Dyk, Joe	970-250-9770	joevyk@aol.com	Operations
Burger, Craig		craig.burger@state.co.us	
Contact, Gen	406-294-4646	kgh@hohneng.com	Thomas Hohn, PE

**Compliance Summary:**

QtrQtr: Lot 5 Sec: 3 Twp: 1S Range: 104W

**Inspector Comment:**

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**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	
438123	PIT	AC	07/15/2014		-	Meagher #3-3H	
438180	WELL	XX	07/20/2014		103-12121	MEAGHER 3-3H	X
438330	PIT	AC	07/30/2014		-	Meagher 3-3H	

**Equipment:** Location Inventory

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

**Location**

**Signs/Marker:**

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
DRILLING/RECOMP	Satisfactory			

Emergency Contact Number: (S/U/V) Satisfactory Corrective Date: \_\_\_\_\_

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

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

<b>Spills:</b>				
Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

<b>Venting:</b>	
Yes/No	Comment

<b>Flaring:</b>				
Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 438181

**Site Preparation:**

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

**Form 2A COAs:**

Group	User	Comment	Date
OGLA	kubeczkd	Notify the COGCC 48 hours prior to start of pad construction, pit construction, rig mobilization, spud, pipeline testing, start of hydraulic stimulation operations, and start of flowback operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).	05/27/2014
OGLA	kubeczkd	Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network.	05/27/2014
OGLA	kubeczkd	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 (if applicable) of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.  Pits containing flowback fluids or produced water must be lined with a minimum 24 mil HDPE liner.  For pits containing fluids other than freshwater only; the pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.  Pits used exclusively for drilling shall be closed in accordance with the 1000-Series Rules. Any pit(s) used for purposes other than drilling shall be closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels; with an approved Site Investigation and Remediation Workplan, Form 27.	05/27/2014
OGLA	kubeczkd	Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.	05/27/2014

OGLA	kubeczkd	<p>The moisture content of any drill cuttings in a cuttings trench or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1.</p> <p>If the well is to be hydraulically stimulated, flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or storage vessel located on the well pad; or pit located adjacent to the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area constructed to be sufficiently impervious to contain any spilled or released material.</p>	05/27/2014
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**Comment:** COA's are being met

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Wildlife BMPs:**

BMP Type	Comment
Material Handling and Spill Prevention	Once the well is drilled and completed onsite KGH will prepare a SPCC plan for the site.
Wildlife	<p>SENSITIVE WILDLIFE AREA BMP</p> <ol style="list-style-type: none"> <li>1. Where oil and gas activities must occur in mule deer critical winter range or elk winter concentration areas, conduct those activities outside the time period from December 1 through April 15 (construction and drilling operations).</li> <li>2. Restrict post-development well site visitations to between the hours of 10:00 AM and 3:00 PM and reduce well site visitations between December 1 and April 15 in mule deer and elk winter range.</li> <li>3. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads.</li> <li>4. Gate single-prupose roads and restrict general public access to reduce traffic disruptions to wildlife.</li> <li>5. Close and immediately reclaim all roads that are redundant, not used regularly, or have been abandoned to the maximum extent possible to minimize disturbance and habitat fragmentation.</li> <li>6. Avoid aggressive non-native grasses and shrubs iin mule deer and elk habitat restoration.</li> <li>7. Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.</li> <li>8. Restore appropriate sagebrush species or subspecies on disturbed sagebrush sites. Use locally collected seed for reseeding when possible.</li> </ol>
Storm Water/Erosion Control	Stormwater management will be managed under KGH Operating Companys' (KGH) Stormwater Managenet Plan prepared for the project area. Prior to construction, a stormwater "perimeter" will be built around the site for initial work purposes. Once the drilling pad construction is completed, the site will be inspected and nessassy Erosion Control Devices needed to manage sediment discharge from the pad will be installed. These devices may include but are not limited to: Rock Check Dams; Settling Ponds; Straw Waddles and; Silt Fencing.

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

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Stormwater:**

**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: 438180 Type: WELL API Number: 103-12121 Status: XX Insp. Status: DG

**Cement**

**Cement Contractor**  
 Contractor Name: ProPetro Contractor Phone: 435-789-1735

**Surface Casing**  
 Cement Volume (sx): 420 Circulate to Surface: NO  
 Cement Fall Back: NO Top Job, 1" Volume: YES

**Intermediate Casing**  
 Cement Volume (sxs): \_\_\_\_\_ Good Return During Job: \_\_\_\_\_

**Production Casing**  
 Cement Volume (sx): \_\_\_\_\_ Good Return During Job: \_\_\_\_\_

**Plugging Operations**  
 Depth Plugs(feet range): \_\_\_\_\_ Cement Volume (sx): \_\_\_\_\_

Good Return During Job: \_\_\_\_\_ Cement Type: \_\_\_\_\_

Comment:   
 Job design  
 Shoe depth - 1005.39'  
 60bbbs h20, 20bbbs gel, 420 sks/86bbbs 15.8 ppg class g,2% KCL, 1/4lbs per sks cellophane, 1.15 yield, 5 gals h20/sk, 74.4 bbbs h20 disp. 357 psi lift/650 psi plug bump.

Initial cement job started at 3AM 420 sks 15.8 ppg pumped - no cement to surface.  
 1st topout at 8AM 150 sks 30 bbbs 15.8 ppg pumped - no cement to surface  
 2nd topout at 1015AM 150 sks 30 bbbs 15.8 ppg pumped - no cement to surface  
 3rd topout at 1230PM 75 sks 15 bbbs 15.8 ppg pumped - cement to surface, monitored for 1hr minor drop in cement 3 inches.

**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

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: \_\_\_\_\_

Corrective Date: \_\_\_\_\_

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

CA: \_\_\_\_\_

Permit:	Facility ID	Permit Num	Expiration Date
	438123	400568838	
	438330	400615539	