

**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:
11/06/2014Document Number:
673401386

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	436790	436801	Waldron, Emily	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10450Name of Operator: EE3 LLCAddress: 4410 ARAPAHOE AVENUE #100City: BOULDER State: CO Zip: 80303

- ☐ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED
- ☐ INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
McClure, Rich		rmcclure@ee3llc.com	
Ashby, Andy		aashby@ee3llc.com	
Kellerby, Shaun		shaun.kellerby@state.co.us	

Compliance Summary:QtrQtr: NW NW Sec: 8 Twp: 6N Range: 80W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
436790	WELL	DG	11/03/2014		057-06526	Surprise Unit 2-08H	DG	<input checked="" type="checkbox"/>

Equipment:Location Inventory

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

Location**Lease Road:**

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	ACTION REQUIRED	Road has little to no gravel, little to no compaction, appears to be more like a jeep track than an access road.	Construct and maintain road in accordance with COGCC rules.	12/12/2014

Inspector Name: Waldron, Emily

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	ACTION REQUIRED	Hose thrown over side of perimeter berm with fluid leaking out of it.	Prevent fluids from leaving location.	12/12/2014

Spills:

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 436790

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
Permit	freemans	Attached Hydrology map as per opr.	03/13/2014
OGLA	kubeczkd	<p>The moisture content of any 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.</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 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 and with additional downgradient perimeter berming.</p>	03/15/2014

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. The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water. Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.	03/15/2014
OGLA	kubeczkd	Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, pipeline testing, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).	03/15/2014
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.	03/15/2014

S/A/V: ACTION**Comment:**

Access road has not been constructed with stormwater controls to prevent migration of sediment from the road to surface waters. Perimeter berm is not continuous or compacted.

CA:

Implement and maintain stormwater BMPs along access road to comply with COAs, stabilize and maintain berm in accordance with COAs.

Date:

12/12/2014

Wildlife BMPs:

BMP Type	Comment
Storm Water/Erosion Control	EE3 LLC will implement a storm water and erosion plan to prevent sedimentation and erosion.

S/A/V: ACTION**Comment:**

Stormwater controls lacking or ineffective.

CA:

Implement effective stormwater controls to comply with COA.

Date:

12/12/2014

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: 436790 Type: WELL API Number: 057-06526 Status: DG Insp. Status: DG

Well Drilling

Rig: Rig Name: Ensign 152 Pusher/Rig Manager: Leroy
 Permit Posted: SATISFACTORY Access Sign: SATISFACTORY

Well Control Equipment:

Pipe Ram: YES Blind Ram: YES Hydril Type: YES
 Pressure Test BOP: Pass Test Pressure PSI: 5000 Safety Plan: YES

Drill Fluids Management:

Lined Pit: Unlined Pit: Closed Loop: YES Semi-Closed Loop:
 Multi-Well: Disposal Location: On location for reclamation

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:

Lat Long
 DWR Receipt Num: Owner Name: GPS :

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

Inspector Name: Waldron, Emily

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 _____ Well Release on Active Location ☐ Multi-Well Location ☐

Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
S/A/V: ACTION REQUIRED Corrective Date: 12/12/2014						
Comment: Only stormwater BMPs noted is uncompacted, non-continuous perimeter berm.						
CA: A stormwater plan should be developed, installed and maintained to prevent the migration or erosion of soil on pad, access roads and in interim reclamation area. Location specific COAs regarding stormwater control need to be adhered to as well.						
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						

Attached Documents

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

Document Num	Description	URL
673401387	Access road	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3482487
673401388	Cuttings with uncompacted berm	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3482488
673401389	Cuttings with uncompacted berm	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3482489
673401390	Fluids leaving location	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3482490
673401391	Fluids leaving location	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3482491
673401392	Uncompacted perimeter berm	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3482492
673401393	Uncompacted perimeter berm	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3482493

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)