

**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:
11/21/2014Document Number:
675200792

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	334442	334442	CONKLIN, CURTIS	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10433Name of Operator: PICEANCE ENERGY LLCAddress: 1512 LARIMER STREET #1000City: DENVER State: CO Zip: 80202

- ☒ 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
Kellerby, Shaun		shuan.kellerby@state.co.us	NW Supervisor
Bankert, Wayne	(970) 683-5419	wbankert@laramie-energy.com	Senior Regulatory & Environmental Coordinator

Compliance Summary:QtrQtr: NESW Sec: 4 Twp: 10S Range: 93W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
06/04/2014	675200030			ACTION REQUIRED			No

Inspector Comment:

This is a follow up to Inspection #675200030XX Permits expire 1/30/2015

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
289176	WELL	PR	01/21/2008	GW	077-09238	VEGA UNIT 4-241	PR	<input checked="" type="checkbox"/>
293964	WELL	PR	12/14/2007	GW	077-09461	VEGA 4-331	PR	<input checked="" type="checkbox"/>
293988	WELL	PR	12/18/2007	GW	077-09464	VEGA 4-231	PR	<input checked="" type="checkbox"/>
293989	WELL	PR	12/18/2007	GW	077-09465	VEGA 4-234	PR	<input checked="" type="checkbox"/>
298297	WELL	XX	01/08/2013	LO	077-09753	Vega 4-223	ND	<input checked="" type="checkbox"/>
299161	WELL	XX	01/08/2013	LO	077-09787	Vega 4-324	ND	<input checked="" type="checkbox"/>
299352	WELL	XX	01/08/2013	LO	077-09799	Vega 4-134	ND	<input checked="" type="checkbox"/>
299353	WELL	XX	01/08/2013	LO	077-09800	Vega 4-132	ND	<input checked="" type="checkbox"/>
299354	WELL	XX	01/08/2013	LO	077-09801	Vega 4-224	ND	<input checked="" type="checkbox"/>

Inspector Name: CONKLIN, CURTIS

299355	WELL	XX	01/08/2013	LO	077-09802	Vega 4-131	ND	X
299356	WELL	XX	01/08/2013	LO	077-09803	Vega 4-222	ND	X
299357	WELL	XX	01/08/2013	LO	077-09804	Vega 4-221	ND	X
299524	WELL	XX	01/08/2013	LO	077-09812	Vega 4-133	ND	X
299525	WELL	XX	01/08/2013	LO	077-09813	Vega 4-141	ND	X
299526	WELL	XX	01/08/2013	LO	077-09814	Vega 4-143	ND	X
299527	WELL	XX	01/08/2013	LO	077-09815	Vega 4-232	ND	X
299528	WELL	XX	01/08/2013	LO	077-09816	Vega 4-233	ND	X
299529	WELL	XX	01/08/2013	LO	077-09817	Vega 4-142	ND	X
299530	WELL	XX	01/08/2013	LO	077-09818	Vega 4-144	ND	X

Equipment:Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
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	SATISFACTORY	Snow packed at time of inspection.		

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
CONTAINERS	ACTION REQUIRED	Signage on chem container at wellheads has peeled off. Action required from previous inspection.	Install sign to comply with rule 210.	12/31/2014
TANK LABELS/PLACARDS	SATISFACTORY			
WELLHEAD	SATISFACTORY			

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
DEBRIS	ACTION REQUIRED	Pieces of liner instock piled dirt. Action required from pervious inspection. See attached photo.	Remove debris.	12/31/2014
UNUSED EQUIPMENT	ACTION REQUIRED	Unused methanol tank and containment are still on location. See attached photo.	Remove to comply with COGCC rules.	12/31/2014

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

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	Panels		
LOCATION	SATISFACTORY	Wooden privacy fence		

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Emission Control Device	1	SATISFACTORY			
Bird Protectors	3	SATISFACTORY			
Ancillary equipment	1	SATISFACTORY	Chem unit w/ containment. See sign section of inspection.		
Horizontal Heated Separator	4	SATISFACTORY			
Plunger Lift	4	SATISFACTORY			
Gathering Line	1	SATISFACTORY			
Gas Meter Run	1	SATISFACTORY			
Pig Station	1	SATISFACTORY			

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____			
Contents		#	Capacity	Type	SE GPS	
METHANOL		1	<50 BBLS	STEEL AST	,	
S/A/V:	SATISFACTORY		Comment:	Located next to pig station		
Corrective Action:					Corrective Date:	

Paint	
Condition	Adequate
Other (Content) _____	
Other (Capacity) _____	
Other (Type) _____	

Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficent	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment: Stock tank				
Facilities: <input type="checkbox"/> New Tank Tank ID: _____				
Contents	#	Capacity	Type	SE GPS
CONDENSATE	2	300 BBLS	STEEL AST	,
S/A/V: SATISFACTORY		Comment:		
Corrective Action:				Corrective Date:
Paint				
Condition	Adequate			
Other (Content) _____				
Other (Capacity) _____				
Other (Type) _____				
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Corrective Action				Corrective Date
Comment: Same				
Facilities: <input type="checkbox"/> New Tank Tank ID: _____				
Contents	#	Capacity	Type	SE GPS
CONDENSATE	2	300 BBLS	HEATED STEEL AST	,
S/A/V: SATISFACTORY		Comment:		
Corrective Action:				Corrective Date:
Paint				
Condition	Adequate			
Other (Content) _____				
Other (Capacity) _____				
Other (Type) _____				
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficent	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				
Venting:				
Yes/No		Comment		
NO				

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 334442

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:**S/A/V:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/A/V:** _____ **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: 289176 Type: WELL API Number: 077-09238 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 293964 Type: WELL API Number: 077-09461 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: <u>293988</u>	Type: <u>WELL</u>	API Number: <u>077-09464</u>	Status: <u>PR</u>	Insp. Status: <u>PR</u>
Producing Well				
Comment: <u>PR</u>				
Facility ID: <u>293989</u>	Type: <u>WELL</u>	API Number: <u>077-09465</u>	Status: <u>PR</u>	Insp. Status: <u>PR</u>
Producing Well				
Comment: <u>PR</u>				
Facility ID: <u>298297</u>	Type: <u>WELL</u>	API Number: <u>077-09753</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299161</u>	Type: <u>WELL</u>	API Number: <u>077-09787</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299352</u>	Type: <u>WELL</u>	API Number: <u>077-09799</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299353</u>	Type: <u>WELL</u>	API Number: <u>077-09800</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299354</u>	Type: <u>WELL</u>	API Number: <u>077-09801</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299355</u>	Type: <u>WELL</u>	API Number: <u>077-09802</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299356</u>	Type: <u>WELL</u>	API Number: <u>077-09803</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299357</u>	Type: <u>WELL</u>	API Number: <u>077-09804</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299524</u>	Type: <u>WELL</u>	API Number: <u>077-09812</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299525</u>	Type: <u>WELL</u>	API Number: <u>077-09813</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299526</u>	Type: <u>WELL</u>	API Number: <u>077-09814</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299527</u>	Type: <u>WELL</u>	API Number: <u>077-09815</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299528</u>	Type: <u>WELL</u>	API Number: <u>077-09816</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299529</u>	Type: <u>WELL</u>	API Number: <u>077-09817</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299530</u>	Type: <u>WELL</u>	API Number: <u>077-09818</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
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: _____

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 REVEGETATIONCropland

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Inspector Name: CONKLIN, CURTIS

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

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
Berms	Pass					
Gravel	Pass	Compaction	Pass			
Compaction	Pass	Gravel	Pass			

S/A/V: SATISFACTOR
Y _____

Corrective Date: _____

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Unused equipment that was in process of being removed at last inspection is still on location.	conklinc	11/24/2014
Action required issues from previous inspection: Sign on chem container and debris in dirt pile, have not been resolved.		
See attached photos.		

Attached Documents

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

Document Num	Description	URL
675200816	Container w/ out labels	http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3492400

675200817	Stored Methanol tank and containment	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3492401
675200818	Sample of debris	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3492402

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.)