

**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:  
11/21/2014

Document Number:  
675200792

Overall Inspection:

**ACTION REQUIRED**

**FIELD INSPECTION FORM**

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

**Operator Information:**

OGCC Operator Number:	<u>10433</u>
Name of Operator:	<u>PICEANCE ENERGY LLC</u>
Address:	<u>1512 LARIMER STREET #1000</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>

- 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:	<u>NESW</u>	Sec:	<u>4</u>	Twp:	<u>10S</u>	Range:	<u>93W</u>
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			<b>ACTION REQUIRED</b>			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"/>

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

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

<b>Good Housekeeping:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
DEBRIS	ACTION REQUIRED	Pieces of liner instock piled dirt. Action required from pervious inspection. Seeattached 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

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

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

<b>Equipment:</b>					
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			

<b>Facilities:</b>				
<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:

<b>Paint</b>	
Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____
Other (Type)	_____

<u>Berms</u>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficent	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment	Stock tank			

**Facilities:**       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:**       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	

<b>Flaring:</b>				
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: 293988 Type: WELL API Number: 077-09464 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

Facility ID: 293989 Type: WELL API Number: 077-09465 Status: PR Insp. Status: PR

**Producing Well**

Comment: PR

Facility ID: 298297 Type: WELL API Number: 077-09753 Status: XX Insp. Status: ND

Facility ID: 299161 Type: WELL API Number: 077-09787 Status: XX Insp. Status: ND

Facility ID: 299352 Type: WELL API Number: 077-09799 Status: XX Insp. Status: ND

Facility ID: 299353 Type: WELL API Number: 077-09800 Status: XX Insp. Status: ND

Facility ID: 299354 Type: WELL API Number: 077-09801 Status: XX Insp. Status: ND

Facility ID: 299355 Type: WELL API Number: 077-09802 Status: XX Insp. Status: ND

Facility ID: 299356 Type: WELL API Number: 077-09803 Status: XX Insp. Status: ND

Facility ID: 299357 Type: WELL API Number: 077-09804 Status: XX Insp. Status: ND

Facility ID: 299524 Type: WELL API Number: 077-09812 Status: XX Insp. Status: ND

Facility ID: 299525 Type: WELL API Number: 077-09813 Status: XX Insp. Status: ND

Facility ID: 299526 Type: WELL API Number: 077-09814 Status: XX Insp. Status: ND

Facility ID: 299527 Type: WELL API Number: 077-09815 Status: XX Insp. Status: ND

Facility ID: 299528 Type: WELL API Number: 077-09816 Status: XX Insp. Status: ND

Facility ID: 299529 Type: WELL API Number: 077-09817 Status: XX Insp. Status: ND

Facility ID: 299530 Type: WELL API Number: 077-09818 Status: XX Insp. Status: ND

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

<b>Water Well:</b>		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: \_\_\_\_\_

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: \_\_\_\_\_

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

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.  Action required issues from previous inspection: Sign on chem container and debris in dirt pile, have not been resolved.  See attached photos.	conklinc	11/24/2014

**Attached Documents**

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

Document Num	Description	URL
675200816	Container w/ out labels	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3492400">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3492400</a>

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

## **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.)