

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



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Inspection Date:
11/25/2014

Document Number:
673900638

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>436021</u>	<u>436023</u>	<u>Rains, Bill</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>8960</u>
Name of Operator:	<u>BONANZA CREEK ENERGY OPERATING COMPANY</u>
Address:	<u>410 17TH STREET SUITE #1400</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
Jones, Allen		jaj@bonanzacrk.com	send all Insp. to Allen

Compliance Summary:

QtrQtr: SWSE Sec: 36 Twp: 6N Range: 62W

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
436021	WELL	DG	06/01/2014	LO	123-38892	State Whitetail O-K-36HNB	PR	<input checked="" type="checkbox"/>
436022	WELL	DG	06/11/2014	LO	123-38893	State Whitetail 34-31-36HNB	PR	<input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>7</u>	Production Pits: _____
Condensate Tanks: <u>4</u>	Water Tanks: <u>7</u>	Separators: <u>7</u>	Electric Motors: <u>13</u>
Gas or Diesel Mortors: <u>7</u>	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: <u>7</u>
Electric Generators: <u>4</u>	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: <u>10</u>	VOC Combustor: <u>8</u>	Oil Tanks: <u>25</u>	Dehydrator Units: <u>1</u>
Multi-Well Pits: _____	Pigging Station: <u>1</u>	Flare: <u>1</u>	Fuel Tanks: _____

Location

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
CONTAINERS	SATISFACTORY			
WELLHEAD	SATISFACTORY			

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

Corrective Date: _____

Comment: _____

Inspector Name: Rains, Bill

Corrective Action: _____

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	PIPE		
LOCATION	SATISFACTORY	WIRE		

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Plunger Lift	2	SATISFACTORY			
Ancillary equipment	3	SATISFACTORY	CHEM PUMPS AND TANKS		
Gathering Line	6	SATISFACTORY			
Gas Meter Run	2	SATISFACTORY			

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
			CENTRALIZED PAD	,

S/A/V: _____ Comment: _____

Corrective Action: _____ Corrective Date: _____

Paint

Condition _____

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Corrective Action _____ Corrective Date _____

Comment _____

Venting:	
Yes/No	Comment
NO	

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

Predrill

Location ID: 436021

Site Preparation:

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

S/AV: _____

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

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Community Outreach and Notification	Bonanza will develop a Contingency Plan specific to the location for any MLVT leak or catastrophic failure of the tank integrity and resulting loss of fluid. The plan includes a notification process to the COGCC and local Emergency authority (municipality, county, or both) for any failure resulting in loss of fluid.
Planning	Bonanza will use only MLVTs supplied by Rockwater or other contractors that are knowingly complying with COGCC inspection, maintenance, and record keeping policies.
Construction	MLVTs will be constructed and operated in accordance with a design certified by a Colorado Licensed Professional Engineer.
Construction	The following procedure describes BCEI standard construction practices for setting a partially buried pre-cast cement water vault and new tank battery construction. 1) The excavation will first be lined with 4" of clay or other low permeability soil. 2) A 30 mil liner will be installed on top of the low permeability soil. The 30 mil liner will be a contiguous liner which will underlay the entire tank battery. 3) The tank battery / water vault liner will be keyed into a galvanized steel containment ring installed surrounding the tank battery. 4) Sand bedding will be installed to protect the synthetic liner prior to placing equipment in the containment area.
Pre-Construction	MLVTs shall not be located on non-engineered fill material. Subgrade preparation shall be verified by proof-rolling prior to MLVT installation.
Community Outreach and Notification	Should a failure of MLVT integrity occur, Bonanza will notify COGCC upon discovery, report the incident to COGCC on a Form 22-Accident Report within 10 days of discovery, and conduct a root cause analysis. The results of the root cause analysis will be reported to COGCC on a Sundry-Form 4 within 30 days of discovery of the failure.
Drilling/Completion Operations	Signs shall be posted on each MLVT to indicate contents are freshwater and that no E&P Waste fluids are allowed. Location and additional signage shall conform to Rule 210.
Pre-Construction	All MLVT liners seams shall be welded at the liner manufacturer's facility. Field welded liners shall not be used. Liners shall not be reused.
Drilling/Completion Operations	Once in operation, MLVTs will be inspected daily and any deficiencies repaired as soon as practicable.
Planning	MLVTs may only be utilized for the storage of freshwater. E&P wastes, including produced water, treated E&P wastes, and flowback from hydraulic fracturing operations will not be allowed.
Drilling/Completion Operations	Access to the tanks shall be limited to operational personnel.
Construction	COGCC Rules 604.a and 605.a (2,3,5,6,7, and 8), as applicable to tank setbacks at the time of installation shall apply to the siting of MLVTs.
Drilling/Completion Operations	A minimum of 1 foot of freeboard will be maintained in all MLVTs.

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking: _____

On Site Inspection (305):

Inspector Name: Rains, Bill

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: 436021 Type: WELL API Number: 123-38892 Status: DG Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: BRADENHEAD EXPOSED TO SURFACE

CA: _____

CA Date: _____

Facility ID: 436022 Type: WELL API Number: 123-38893 Status: DG Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: BRADENHEAD EXPOSED TO SURFACE

CA: _____

CA Date: _____

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? Pass CM _____

CA _____ CA Date _____

Waste Material Onsite? Pass CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? Pass CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? Pass CM _____

CA _____ CA Date _____

Guy line anchors removed? Pass CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

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

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

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? Pass Segregated soils have been replaced? In

RESTORATION AND REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced In Recontoured In 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
Mulching	Pass					
Gravel	Pass	Gravel	Pass	MHSP	Pass	

S/A/V: **ACTION REQUIRED**

Corrective Date: **12/25/2014**

Comment: **AREAS OF STAIN SOIL. SEE ATTACHMENT**

CA: **CLEAN UP STAIN SOIL**

Pits: 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
673900639	STAIN SOIL	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3495870

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.)