

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:
12/05/2014

Document Number:
675200910

Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>438456</u>	<u>432255</u>	<u>CONKLIN, CURTIS</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10150</u>
Name of Operator:	<u>BLACK HILLS PLATEAU PRODUCTION LLC</u>
Address:	<u>1515 WYNKOOP ST STE 500</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
Danahue, Jessica	(720) 210-1333	jessica.donahue@blackhillscorp.com	
Kellerby, Shaun		shuan.kellerby@state.co.us	NW Supervisor
Hartman, Robert	(970) 244-3041	bhartman@blm.gov	Petroleum Engineer
Lindholm, Stan	(970) 257-0727	stan.lindholm@blackhillscorp.com	

Compliance Summary:

QtrQtr: NW/NW Sec: 9 Twp: 8S Range: 98W

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
432256	WELL	DG	11/28/2014	LO	045-21932	Homer Deep Unit 9-11AH	DG <input type="checkbox"/>
432257	WELL	DG	11/29/2014	LO	045-21933	Homer Deep Unit 9-11BH	DG <input type="checkbox"/>
432419	PIT		04/08/2013		-	Homer Deep Unit 9-11	<input checked="" type="checkbox"/>
438456	WELL	DG	11/30/2014		045-22489	Homer Deep 9-11CH	DG <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>3</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>6</u>	Separators: <u>3</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: _____	Water Pipeline: <u>1</u>
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: <u>3</u>	Dehydrator Units: _____
Multi-Well Pits: <u>1</u>	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Lease Road:				
Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY			

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	SATISFACTORY	Location sign		

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: _____

Comment: _____

Corrective Action: _____

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

Venting:	
Yes/No	Comment
NO	

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

Predrill

Location ID: 438456

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

S/A/V: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:			
Group	User	Comment	Date
OGLA	kubeczko	<p>FORM 15 EARTHEN PIT PERMIT COAs:</p> <p>Per Black Hills Plateau Production's De Beque Exploratory Proposal (which is currently being analyzed by BLM), "It is estimated that initially the flowback fluids (before evaporation) would contain about 3,500 ppm of total dissolved solids (TDS). The concentration of solids in the fluid would increase as water evaporated. The fluids pit would be double lined, with both liners a minimum of 24 mil thick, and they would be installed in accordance with Colorado Oil and Gas Conservation Commission (COGCC) regulations as well as the BLM GJFO Standard Conditions. The pit liner would be maintained in good working condition, with no tears or holes, until the pit was closed."; the multi-well pit must be double-lined.</p> <p>After installation of the uppermost liner and prior to operating the pit, the synthetic liner(s) shall be tested by filling the pit with at least 70 percent of operating capacity of water, measured from the base of the pit (not to exceed the 2-foot freeboard requirement). The operator shall monitor the pit for leaks for a period of 72 hours prior to either draining the pit or commencing operations. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) 48 hours prior to start of the hydrotest. Hydrotest monitoring results must be maintained by the operator for the life of the pit and provided to COGCC prior to using the pit.</p>	03/19/2013

In lieu of conducting an initial hydrostatic test of the pit, the operator can monitor fluid levels in the pit continuously using a minimum of two pressure transducers located at the upgradient and downgradient ends of the pit (based on the original topographic profile). These pressure transducers should be linked to the operator's SCADA system such that they can be remotely monitored. In addition, the pit liner will be marked at the two foot freeboard depth line so that operations personnel (as well as COGCC inspectors) can easily verify that the required fluid free board is being maintained. The electronically collected water level measurement data shall be used to confirm changes in pit inflow and outflow during operations based on estimates from truck and/or pipeline delivery or removal activities. Any abnormalities that are noticed during operations will be reported to the operator's field supervisor immediately so that any necessary follow-up can be scheduled.

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 of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

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.

Surface water samples (one upgradient and one downgradient from the pit/well pad location) from Dry Fork (if water is present) shall be collected prior to pit use and every 12 months (until pit closure) to evaluate potential impacts from pit operations. At a minimum, the surface water samples will be analyze for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/DRO.

The operator shall submit, and receive approval of, a reuse and recycling plan per Rule 907.a.(3), prior to any offsite reuse/recycling of pit fluids.

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.

Submit additional disposal facilities (wells, pits, etc.), if necessary (i.e., if original disposal option changes), for pit liquid contents to COGCC via a Form 4 Sundry prior to disposal.

At the time of pit closure, operator must submit disposal information for solids, if necessary, via a Form 4 Sundry Notice to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us). The disposal method will need to be approved prior to operator starting pit closure.

<p>OGLA</p>	<p>kubeczkod</p>	<p>GROUNDWATER/SURFACE WATER BASELINE WATER SAMPLING COA:</p> <p>Baseline Water Testing: Prior to drilling, operator shall sample at a minimum two (2) domestic water wells or springs within a one (1) mile radius of the proposed oil and gas location. Testing preference shall be given to domestic water wells and springs over surface water. If possible, the water wells or springs selected should be on opposite sides of the oil and gas location not exceeding a one (1) mile radius. If water wells or springs on opposite sides of the oil and gas location cannot be identified, then the two (2) closest wells or springs within a one (1) mile radius of the oil and gas location shall be sampled. The sample location shall be surveyed in accordance with Rule 215. Sampling and analysis shall be conducted in conformance with an accepted industry standard as described in Rule 910.b.(2). Initial baseline testing shall include: pH, specific conductance, total dissolved solids (TDS), dissolved gases (methane, ethane, propane), alkalinity (total bicarbonate and carbonate as CaCO₃), major anions (bromide, chloride, fluoride, sulfate, nitrate and nitrite as N, phosphorus), major cations (calcium, iron, magnesium, manganese, potassium, sodium), other elements (barium, boron, selenium and strontium), presence of bacteria (iron related, sulfate reducing, slime and coliform), total petroleum hydrocarbons (TPH) and BTEX compounds (benzene, toluene, ethylbenzene and xylenes). Hydrogen sulfide shall also be measured using a field test method. Field observations such as pH, temperature, specific conductance, odor, water color, sediment, bubbles, and effervescence shall also be included. COGCC recommends that the latest version of EPA SW 846 analytical methods be used where possible and that analyses of samples be performed by laboratories that maintain state or national accreditation programs. If free gas or a dissolved methane concentration greater than 1.0 milligram per liter (mg/l) is detected in a water well, gas compositional analysis and stable isotope analysis of the methane (carbon and hydrogen – ¹²C, ¹³C, ¹H and ²H) shall be performed to determine gas type. If test results indicated thermogenic or a mixture of thermogenic and biogenic gas. If the methane concentration increases by more than 5.0 mg/l between sampling periods, or increases to more than 10. mg/l, the operator shall notify the Director and the owner of the water well immediately. After 90 days, but less than 180 days of completion of the first proposed well a “post-completion” test shall be performed for the same analytical parameters listed above and repeated once within 60 to 72 months. If the well is a non-producing well, then the 60- to 72-month sample will not be required. Additional “post-completion” test(s) may be required if changes in water quality are identified during follow-up testing. The Director may require further water well sampling at any time in response to complaints from water well owners. Copies of all test results described above shall be provided to the Director and the landowner where the water quality testing well is located within three (3) months of collecting the samples used for the test. The analytical data and surveyed well locations shall also be submitted to the Director in an electronic data deliverable format. Documented refusal to grant access by well owner or surface owner (for spring sampling) shall not constitute a violation of this COA.</p>	<p>03/19/2013</p>
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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: 432419 Type: PIT API Number: - Status: _____ Insp. Status: _____

Facility ID: 438456 Type: WELL API Number: 045-22489 Status: DG Insp. Status: DG

Well Drilling

Rig: Rig Name: SST 66 Pusher/Rig Manager: Kit Hatfield
 Permit Posted: SATISFACTORY Access Sign: SATISFACTORY

Well Control Equipment:
 Pipe Ram: _____ Blind Ram: _____ Hydril Type: _____
 Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:
 Lined Pit: YES Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
 Multi-Well: _____ Disposal Location: _____

Comment:
 Drilling surface hole.

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 _____

Inspector Name: CONKLIN, CURTIS

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
Compaction	Pass	Compaction	Pass	CM	Pass	
Berms	Pass					
Gravel	Pass	Gravel	Pass			

S/A/V: SATISFACTOR Corrective Date: _____
Y _____

Comment: _____
 CA: _____

Pits: NO SURFACE INDICATION OF PIT

Pit Type: Reserve Lined: YES Pit ID: 432419 Lat: 39.380250 Long: -108.339710

Lining:
 Liner Type: HDPE Liner Condition: Adequate
 Comment: _____

Fencing:
 Fencing Type: Netting/Fen Fencing Condition: Adequate
 Comment: _____

Netting:
 Netting Type: Fence/Net Netting Condition: Good
 Comment: _____

Anchor Trench Present: _____ Oil Accumulation: _____ 2+ feet Freeboard: _____
 Pit (S/A/V): SATISFACTOR Comment: _____
 Corrective Action: _____ Date: _____

Permit:	Facility ID	Permit Num	Expiration Date
	432419	400356093	
	432419	400356093	