Inspector Name: CONKLIN, CURTIS

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 |
|---|---|---|---|
| | | | |

Inspection Date: 12/05/2014

Document Number: 675200911

Overall Inspection: SATISFACTORY

## FIELD INSPECTION FORM

| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
|---|---|---|---|---|---|
| | 432255 | 432255 | CONKLIN, CURTIS | ☐ | |

**Operator Information:**

OGCC Operator Number: 10150

Name of Operator: BLACK HILLS PLATEAU PRODUCTION LLC

Address: 1515 WYNKOOP ST STE 500

City: 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 |
|---|---|---|---|
| Danahue, Jessica | (720) 210-1333 | jessica.donahue@blackhillscorp.com | |
| Lindholm, Stan | (970) 257-0727 | stan.lindholm@blackhillscorp.com | |
| Andrews, Dave | | david.andrews@state.co.us | |
| Kellerby, Shaun | | shuan.kellerby@state.co.us | NW Supervisor |

**Compliance Summary:**

QtrQtr: NWNW Sec: 9 Twp: 8S Range: 98W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|---|---|---|---|---|---|---|---|
| 09/10/2014 | 675200515 | | | SATISFACTORY | | | No |

**Inspector Comment:**

This inspection is for the surface cement job of API 045-21932

**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 | ☒ |
| 432257 | WELL | DG | 11/29/2014 | LO | 045-21933 | Homer Deep Unit 9-11BH | DG | ☐ |
| 432419 | PIT | | 04/08/2013 | | - | Homer Deep Unit 9-11 | | ☐ |
| 438456 | WELL | DG | 11/30/2014 | | 045-22489 | Homer Deep 9-11CH | DG | ☐ |

**Equipment:** Location Inventory

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

Inspector Name: CONKLIN, CURTIS

## Location

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

Comment:

Corrective Action:

| Spills: | | | | |
|---|---|---|---|---|
| Type | Area | Volume | Corrective action | CA Date |

☐ Multilple Spills and Releases?

| Venting: | |
|---|---|
| Yes/No | Comment |
| | |

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

## Predrill

Location ID: 432255

**Site Preparation:**

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

**S/A/V:** _____

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

**Form 2A COAs:**

| Group | User | Comment | Date |
|---|---|---|---|
| OGLA | kubeczkod | FORM 15 EARTHEN PIT PERMIT COAs:<br><br>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.<br><br>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.<br><br>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 | 03/19/2013 |

| | | | |
|---|---|---|---|
| | | 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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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.<br><br>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. | |

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| OGLA | kubeczkod | SITE SPECIFIC COAs:<br><br>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, pit liner installation, 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).<br><br>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface or buried pipelines.<br><br>The access road will be constructed to prevent sediment migration from the access road to nearby surface water or any drainages leading to other nearby surface waters or wetlands areas.<br><br>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations (as described and shown on the Construction Layout Drawings attachment); 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 (i.e., best management practices (BMPs) associated with stormwater management) 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.<br><br>The moisture content of any freshwater generated 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, if the drill cuttings are to be left onsite, they must also meet the applicable standards of Table 910-1.<br><br>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit 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 with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.<br><br>Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks. | 03/19/2013 |

| | | | |
|---|---|---|---|
| OGLA | kubeczkod | GROUNDWATER/SURFACE WATER BASELINE WATER SAMPLING COA:<br><br>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.<br>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.<br>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.<br>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.<br>Documented refusal to grant access by well owner or surface owner (for spring sampling) shall not constitute a violation of this COA. | 03/19/2013 |

**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:

Inspector Name: CONKLIN, CURTIS

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: 432256 Type: WELL API Number: 045-21932 Status: DG Insp. Status: DG

## Cement

Cement Contractor

Contractor Name: _____ Contractor Phone: _____

Surface Casing

Cement Volume (sx): 375 Circulate to Surface: YES

Cement Fall Back: NO Top Job, 1" Volume: _____

Intermediate Casing

Cement Volume (sxs): _____ Good Return During Job: _____

Production Casing

Cement Volume (sx): _____ Good Return During Job: _____

Plugging Operations

Depth Plugs(feet range): _____ Cement Volume (sx): _____

Good Return During Job: _____ Cement Type: _____

Comment: Depth: 1135
170 sacs Yield 12.3 rate @ 8 bbl/min
205 sacs Yield 12.8 rate @ 8 bbl/min
Displaced 107 bbl

## 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 _____

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: _____

Inspector Name: CONKLIN, CURTIS

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: _____ Corrective Date: _____

Comment:

CA:

**Pits:** ☐ NO SURFACE INDICATION OF PIT

Permit:

| Facility ID | Permit Num | Expiration Date |
|---|---|---|
| 432419 | 400356093 | |
| 432419 | 400356093 | |