

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:
12/19/2014

Document Number:
675200975

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|------------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>334645</u> | <u>334645</u> | <u>CONKLIN, CURTIS</u> | <input type="checkbox"/> | |

Operator Information:

| | |
|-----------------------|--|
| OGCC Operator Number: | <u>96850</u> |
| Name of Operator: | <u>WPX ENERGY ROCKY MOUNTAIN LLC</u> |
| Address: | <u>1001 17TH STREET - SUITE #1200</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 |
|-----------------|-------|--------------------------------------|-----------------|
| All Inspections | | COGCCInspectionReports@wpxenergy.com | All Inspections |

Compliance Summary:

QtrQtr: Lot 11 Sec: 22 Twp: 7S Range: 96W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 05/19/2014 | 663903212 | | | SATISFACTORY | | | No |
| 04/30/2014 | 663903091 | | | SATISFACTORY | | | No |
| 04/09/2014 | 663902942 | | | SATISFACTORY | | | No |
| 07/17/2013 | 663801290 | | | SATISFACTORY | | | No |

Inspector Comment:

Follow up for inspection DOC#663903212

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|------------------|-------------|-------------------------------------|
| 256273 | WELL | PR | 10/27/1999 | GW | 045-07439 | BOSELY SG 24-22 | PR | <input checked="" type="checkbox"/> |
| 279736 | WELL | PR | 12/01/2010 | GW | 045-11077 | BOSELY SG 524-22 | PR | <input checked="" type="checkbox"/> |
| 279737 | WELL | PR | 04/21/2006 | GW | 045-11078 | BOSELY SG 424-22 | PR | <input checked="" type="checkbox"/> |
| 279738 | WELL | PR | 04/20/2006 | GW | 045-11079 | BOSELY SG 324-22 | PR | <input checked="" type="checkbox"/> |
| 433760 | WELL | PR | 05/13/2014 | LO | 045-22123 | Bosely SG 214-22 | PR | <input checked="" type="checkbox"/> |
| 433761 | WELL | PR | 05/13/2014 | OW | 045-22124 | Bosely SG 14-22 | PR | <input checked="" type="checkbox"/> |
| 433762 | WELL | PR | 08/04/2014 | OW | 045-22125 | BOSELY SG 314-22 | PR | <input checked="" type="checkbox"/> |
| 433765 | WELL | PR | 06/06/2014 | LO | 045-22126 | Bosely SG 414-22 | PR | <input checked="" type="checkbox"/> |

| Equipment: | | Location Inventory | | | | | |
|------------------------|-------|--------------------|-------|---------------|-------|-------------------|-------|
| Special Purpose Pits: | _____ | Drilling Pits: | _____ | Wells: | 8 | Production Pits: | _____ |
| Condensate Tanks: | 2 | Water Tanks: | 2 | Separators: | 8 | 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 | Muddy at time of inspection | | |

| Signs/Marker: | | | | |
|----------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| CONTAINERS | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |
| WELLHEAD | SATISFACTORY | | | |

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

Comment: 970-285-9377

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 |
| SEPARATOR | SATISFACTORY | Wire panels | | |
| WELLHEAD | SATISFACTORY | Panels | | |

| Equipment: | | | | | |
|-----------------------------|---|------------------------------|--------------------------|-------------------|---------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Plunger Lift | 8 | SATISFACTORY | | | |
| Bird Protectors | 4 | SATISFACTORY | | | |
| Ancillary equipment | 1 | SATISFACTORY | Chem unit w/ containment | | |
| Horizontal Heated Separator | 8 | SATISFACTORY | | | |

| 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: | |
| <u>Paint</u> | | | | | |
| Condition | Adequate | | | | |
| Other (Content) | _____ | | | | |
| Other (Capacity) | _____ | | | | |
| Other (Type) | _____ | | | | |
| <u>Berms</u> | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate | |
| Corrective Action | | | | Corrective Date | |
| Comment | | | | | |
| Facilities: <input type="checkbox"/> New Tank Tank ID: _____ | | | | | |
| Contents | # | Capacity | Type | SE GPS | |
| PRODUCED WATER | 2 | 300 BBLS | STEEL AST | , | |
| S/A/V: | SATISFACTORY | Comment: | | | |
| Corrective Action: | | | | Corrective Date: | |
| <u>Paint</u> | | | | | |
| Condition | Adequate | | | | |
| Other (Content) | _____ | | | | |
| Other (Capacity) | _____ | | | | |
| Other (Type) | _____ | | | | |
| <u>Berms</u> | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
| | | | | | |
| Corrective Action | | | | Corrective Date | |
| Comment | Same | | | | |

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

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

| | | | | |
|--------------------------|-------|-----------------|--|--|
| Predrill | | | | |
| Location ID: 334645 | | | | |
| Site Preparation: | | | | |
| Lease Road Adeq.: | Pads: | Soil Stockpile: | | |
| | | | | |
| S/A/V: _____ | | | | |
| Corrective Action: | Date: | CDP Num.: | | |
| | | | | |
| Form 2A COAs: | | | | |

| Group | User | Comment | Date |
|-------|----------|---|------------|
| OGLA | kubeczkd | <p>TEMPORARY SURFACE PIPELINE COAs:</p> <p>Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to testing surface poly or buried steel pipelines.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.</p> <p>Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface poly pipeline routes for leaks during active transfer of fluids. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance during pipeline monitoring. The operator shall maintain records of inspections, findings and repairs, if necessary, for the life of the pits.</p> <p>Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all sensitive area crossings, including, but not limited to stream, intermittent stream, ditch, and drainage crossings.</p> <p>Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.</p> | 07/09/2013 |
| OGLA | kubeczkd | <p>GROUNDWATER BASELINE SMPLING COA:</p> <p>Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.</p> | 07/09/2013 |

| | | | |
|-------------|-----------------|--|-------------------|
| <p>OGLA</p> | <p>kubeczkd</p> | <p>GENERAL SITE COAs:</p> <p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, 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).</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines</p> <p>Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; 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.</p> <p>The location is in an area of moderate to high run-on/run-off potential; therefore standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater run-off.</p> <p>The moisture content of any drill 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 drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1.</p> <p>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 (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) 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.</p> <p>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.</p> | <p>07/09/2013</p> |
|-------------|-----------------|--|-------------------|

S/A/V: _____ **Comment:** Secondary contatinment is in place. Wells are completed.

CA: _____ **Date:** _____

Wildlife BMPs:

| BMP Type | Comment |
|---------------------|--|
| Interim Reclamation | <p>PRODUCTION/RECLAMATION BMP's</p> <ul style="list-style-type: none"> * Restore both form and function of impacted wetlands and riparian areas and mitigate erosion. * Remove well pad and road surface materials that are incompatible with post-production land use and re-vegetation requirements * Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife * WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeded and reclamation of disturbed areas. * Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings. * Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors. |
| Construction | <p>CONSTRUCTION BMP's</p> <ul style="list-style-type: none"> * Close and reclaim roads not necessary for development, including removing all bridges and culverts and recontouring/reclaiming all stream crossings. * Structures for perennial or intermittent stream channel crossings should be constructed using appropriately sized bridges or culverts * Design road crossings of streams at right angles to all riparian corridors and streams to minimize the area of disturbance to the extent possible. |
| Planning | <p>PLANNING BMP's</p> <ul style="list-style-type: none"> * Share/consolidate corridors for pipeline ROWs to the maximum extent possible. * Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas. * Minimize newly planned activities and operations within 300 feet of the ordinary high water mark of any reservoir, lake, wetland, or natural perennial or seasonally flowing stream or river. * Locate roads outside of drainages where possible and outside of riparian habitat. * Combine and share roads to minimize habitat fragmentation * Where possible, consolidate pipeline and existing roadways, or roadways that are planned for development * Place roads to avoid obstructions to migratory routes for wildlife, and to avoid displacement of wildlife from public to private lands. * Maximize use of remote completion/frac operations to minimize traffic * Maximize use of remote telemetry for well monitoring to minimize traffic * Phase and concentrate development activities, so that large areas of undisturbed habitat for wildlife remain. * Maintain undeveloped areas within development boundaries sufficient to allow wildlife to persist within development boundaries during all phases of construction, drilling, and production. * Minimize the duration of development and avoid repeated or chronic disturbance of developed areas. Complete all anticipated drilling within a phased, concentrated, development area during a single, uninterrupted time period. |

| | |
|--------------------------------|---|
| Drilling/Completion Operations | DRILLING/COMPLETIONS BMP's * Use centralized hydraulic fracturing operations. * Install and maintain adequate measures to exclude all types of wildlife (e.g., big game, birds, and small rodents) from all fluid pits (e.g., fencing, netting, and other appropriate exclusion measures). * Conduct well completions with drilling operations to limit the number of rig moves and traffic. |
|--------------------------------|---|

S/AV: _____ **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: 256273 | Type: WELL | API Number: 045-07439 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

Producing Well

Comment: PR w/ plunger lift

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 279736 | Type: WELL | API Number: 045-11077 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

Producing Well

Comment: PR w/ plunger lift

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 279737 | Type: WELL | API Number: 045-11078 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

Producing Well

Comment: PR w/ plunger lift

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 279738 | Type: WELL | API Number: 045-11079 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

Producing Well

Comment: PR w/ plunger lift

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 433760 | Type: WELL | API Number: 045-22123 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

Producing Well

Comment: PR w/ plunger lift

Facility ID: 433761 Type: WELL API Number: 045-22124 Status: PR Insp. Status: PR

Producing Well

Comment: PR w/ plunger lift

Facility ID: 433762 Type: WELL API Number: 045-22125 Status: PR Insp. Status: PR

Producing Well

Comment: PR w/ plunger lift

Facility ID: 433765 Type: WELL API Number: 045-22126 Status: PR Insp. Status: PR

Producing Well

Comment: PR w/ plunger lift

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 _____

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 | Fail | Compaction | Pass | | | |
| Rip Rap | Pass | | | | | |

S/A/V: **ACTION REQUIRED** Corrective Date: **01/23/2015**

Comment: **Sediment run on and erosion at NE corner of location behind tanks. Location rutted at time of inspection. Multiple areas of sediment run on along access road. See attached photos.**

CA: **Submit work plan and time frames to implement BMPs to resolve issues.**

Pits: NO SURFACE INDICATION OF PIT

| COGCC Comments | | |
|--|----------|------------|
| Comment | User | Date |
| Issues from previous inspection have been resolved. | conklinc | 12/19/2014 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------|---|
| 675200983 | Bosely SG 24-22 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3512127 |

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.)