

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:
01/06/2015

Document Number:
671103267

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>436671</u>	<u>319537</u>	<u>MONTOYA, JOHN</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>100185</u>
Name of Operator:	<u>ENCANA OIL & GAS (USA) INC</u>
Address:	<u>370 17TH ST STE 1700</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
Helgeland, Gary		<u>gary.helgeland@state.co.us</u>	
House, Larry	<u>303-774-3972</u>	<u>Larry.House@encana.com</u>	Operations Cordinator
Berlin, John		<u>john.berlin@encana.com</u>	

Compliance Summary:

QtrQtr: SESE Sec: 36 Twp: 2N Range: 66W

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
243637	WELL	PR	04/26/1985	GW	123-11429	MUMBY STATE 1	SI	<input checked="" type="checkbox"/>
436667	WELL	DG	06/10/2014	LO	123-39214	Mumby State 4D-36H P266	PR	<input checked="" type="checkbox"/>
436668	WELL	DG	06/08/2014	LO	123-39215	Mumby State 4H-36H P266	PR	<input checked="" type="checkbox"/>
436669	WELL	DG	06/09/2014	LO	123-39216	Mumby State 4E-36H P266	PR	<input checked="" type="checkbox"/>
436670	WELL	DG	06/08/2014	LO	123-39217	Mumby State 4F-36H P266	PR	<input checked="" type="checkbox"/>
436671	WELL	DG	06/08/2014	LO	123-39218	Mumby State 4G-36H P266	PR	<input checked="" type="checkbox"/>
436672	WELL	DG	06/10/2014	LO	123-39219	Mumby State 4C-36H P266	PR	<input checked="" type="checkbox"/>
436673	WELL	DG	06/11/2014	LO	123-39220	Mumby State 4B-36H P266	PR	<input checked="" type="checkbox"/>
436677	WELL	DG	06/12/2014	LO	123-39222	Mumby State 4A-36H P266	PR	<input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>9</u>	Production Pits: _____
Condensate Tanks: <u>24</u>	Water Tanks: <u>4</u>	Separators: <u>9</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>12</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

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

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?				

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	ACTION REQUIRED	NO WELLHEAD SIGNAGE	GET WELLHEAD SIGNAGE	02/06/2015

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Gas Meter Run	11	SATISFACTORY			
Ancillary equipment	1	SATISFACTORY	METHANOL PUMP OK		
Horizontal Heated Separator	9	SATISFACTORY			
Emission Control Device	11	SATISFACTORY			
Vertical Separator	2	SATISFACTORY			
Plunger Lift	9	SATISFACTORY			
Horizontal Separator	1	SATISFACTORY			
Bird Protectors	20	SATISFACTORY			
Compressor	6	SATISFACTORY			

Facilities:					
<input type="checkbox"/> New Tank		Tank ID: _____			
Contents	#	Capacity	Type	SE GPS	

Inspector Name: MONTOYA, JOHN

PRODUCED WATER	4	200 BBLs	PBV FIBERGLASS	
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S/A/V: SATISFACTORY	Comment:
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Corrective Action:	Corrective Date:
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Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate

Corrective Action	Corrective Date
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Comment

Facilities: New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CRUDE OIL	18	500 BBLs	STEEL AST	40.050330,-104.481640

S/A/V: SATISFACTORY	Comment:
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Corrective Action:	Corrective Date:
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Paint

Condition	Adequate
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Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate

Corrective Action	Corrective Date
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Comment

Venting:

Yes/No	Comment
NO	

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Ignitor/Combustor	SATISFACTORY			

Predrill

Location ID: 436671

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:

BMP Type	Comment
Drilling/Completion Operations	Backup stabbing valves shall be required on well servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.
Traffic control	After meetings with the surrounding Building Unit Owners, a request was made for the speed limit to be reduced on County Road 37 and "Children At Play" signs to be installed. Encana does not have jurisdiction over County Roads, however, we are working with Weld County to see if they will implement these requests. Nothing has been agreed upon at this time but Weld County is aware of these concerns.
Noise mitigation	Encana will perform a baseline noise survey prior to any operational activity measuring dBA at a distance 350 feet from the noise source. If low frequency noise is a concern, measurement of dBC will be taken 25 feet from the occupied structure towards the noise source.
Drilling/Completion Operations	Closed-top tanks will utilize backpressure systems that exert a minimum of four (4) ounces of backpressure and a maximum that does not exceed the pressure rating of the tank to facilitate gathering and combustion of tank 800-5 C.
Material Handling and Spill Prevention	<p>Encana's Leak Detection Program:</p> <ul style="list-style-type: none"> • annual hydrostatic test on the oil dump line from the separator to the tank battery. • annual hydrostatic "static" tests on our oil tanks. • Annual hydrostatic "static" tests on our produced water tank and water dump line from the separator to the produced water tank. <ul style="list-style-type: none"> • Lease Operator inspections of all equipment not to exceed 48 hours. • Monthly documented inspections (EU). • Annual environmental inspections of all battery and well equipment and pads. • Annual UT inspections of the pressure vessels and input into Encana's RIPL Predictive Integrity Maintenance Program. (HLP separators and fuel gas separators)
Planning	The proposed location will be consolidated with an existing location, ID #319537, that contains the Mumby State #1, API #05-123-11429. The existing tanks for the Mumby State #1 will be moved and placed in the proposed facilities area. The facilities area was designated per the surface owner's request.
Construction	Encana will install fencing to restrict access to wellheads and equipment.
Construction	The pad will be constructed in such a manner that noise mitigation may be installed and removed without disturbing the site or landscaping.
Emissions mitigation	Flow lines, separators, and sand traps capable of supporting green completions as described in Rule 805 will be installed on subject location at which commercial quantities of gas are reasonably expected to be produced based on existing adjacent wells within 1 mile. Temporary flowback flaring and oxidizing equipment will include: adequately sized equipment to handle 1.5 times the largest flowback volume of gas experienced in a ten mile radius. If there is overrun, Encana will shut in the well versus freely venting
Drilling/Completion Operations	Encana will employ a rig without kelly that has double ram with blind and pipe ram and an annular preventer. At least one person at the well site during drilling operations will have Mineral Management certification or Director approved training for blowout prevention.

Drilling/Completion Operations	Prior to drilling operations, Operator will perform an anti-collision scan of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision scan will include definitive MWD or gyro surveys of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed wellpath with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottomhole location. The proposed well will only be drilled if the anti-collision scan results indicate that there is not a risk for collision, or harm to people or the environment. For the proposed well, upon conclusion of drilling operations, an as-constructed gyro survey will be submitted to COGCC with the Form 5.
Dust control	Per meetings with the surrounding Building Unit Owners, Encana will work with Weld County to reduce dust caused by our increased truck traffic. Encana will use mag chloride, install crushed concrete on the access road and use street sweepers if necessary.
Drilling/Completion Operations	All newly installed or replaced crude oil and condensate storage tanks will be designed, constructed, and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). Encana will maintain written records verifying proper design, construction, and maintenance, and will make these records available for inspection by the Director. In addition, onsite inspections are conducted internally to insure guidelines are met.
Construction	Subject pad will have all weather access roads to allow for operator and emergency response.
Drilling/Completion Operations	Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections will be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing shall be conducted and the documented results will be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing shall be conducted on a daily basis when practicable.
Noise mitigation	The subject location will be constructed to allow potential future noise mitigation installation without disturbance.
Material Handling and Spill Prevention	Well effluent containing more than ten (10) barrels per day of condensate or within two (2) hours after first encountering hydrocarbon gas of salable quality will be directed to a combination of sand traps, separators, surge vessels, and tanks as needed to ensure safe separation of sand, hydrocarbon liquids, water, and gas and to ensure salable products are efficiently recovered for sale or conserved and that non-salable products are disposed of in a safe and environmentally responsible manner.
Pre-Construction	Prior to construction, Encana will write a "Risk Assessment Needs Determination" document to analyze the site for any other potential mitigation measures that might be needed.
General Housekeeping	All surface trash, debris, scrap or discarded material connected with the operations of the property shall be removed from the premises or disposed of in a legal manner.
Drilling/Completion Operations	Guy line anchors in the DJ Basin are not installed. Encana will use an engineered base beam that we guy wire anchor the derricks to.
Noise mitigation	Per meetings with the surrounding Building Unit Owners, Encana will install 32' temporary sound walls on this location through drilling and completion operations.
Drilling/Completion Operations	Encana will utilize a closed-loop system for drilling operations at this location. Encana will not utilize pits.
General Housekeeping	Any material not in use that might constitute a fire hazard will be removed a minimum of twenty-five (25) feet from the wellhead, tanks and separator. Any electrical equipment installations inside the bermed area will comply with API RP 500 classifications and comply with the current national electrical code as adopted by the State of Colorado.

Construction
 Encana utilizes 48" tall corrugated galvanized metal berm walls with a capacity in excess of 150% of the largest tank contained within the wall. In addition, Encana best practices mandates the use of impervious liners that extends under each storage tank and up the walls, permanently affixed to the top of the metal berm wall. Protrusions of piping that come through the liner include a fully sealed "boot" to prevent leakage.

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: 243637 Type: WELL API Number: 123-11429 Status: PR Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/AV: SATISFACTORY CA Date: _____

CA: _____

Comment: _____

Facility ID: 436667 Type: WELL API Number: 123-39214 Status: DG Insp. Status: PR

Producing Well

Comment: **PR**

Facility ID: 436668 Type: WELL API Number: 123-39215 Status: DG Insp. Status: PR

Producing Well

Comment: **PR**

Facility ID: 436669 Type: WELL API Number: 123-39216 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436670 Type: WELL API Number: 123-39217 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436671 Type: WELL API Number: 123-39218 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436672 Type: WELL API Number: 123-39219 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436673 Type: WELL API Number: 123-39220 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 436677 Type: WELL API Number: 123-39222 Status: DG Insp. Status: PR

Producing Well

Comment: PR

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: HAY MEADOW, OTHER

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? Pass

RESTORATION AND REVEGETATION

Cropland

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

Non-Cropland

Top soil replaced Pass Recontoured Pass 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: HAY MEADOW, OTHER

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 _____

Inspector Name: MONTOYA, JOHN

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
Gravel	Pass	Culverts	Pass			

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

Comment: _____

CA: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
NEED WELLHEAD SIGNAGE ON ALL 9 WELLS	montoyaj	01/06/2015

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.)