

**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:  
01/06/2015Document Number:  
671103267

Overall Inspection:

**ACTION REQUIRED****FIELD INSPECTION FORM**

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

**Operator Information:**OGCC Operator Number: 100185Name of Operator: ENCANA OIL & GAS (USA) INCAddress: 370 17TH ST STE 1700City: 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
Helgeland, Gary		gary.helgeland@state.co.us	
House, Larry	303-774-3972	Larry.House@encana.com	Operations Coordinator
Berlin, John		john.berlin@encana.com	

**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**

Inspector Name: MONTOYA, JOHN

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**

<b><u>Signs/Marker:</u></b>				
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?				

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

<b><u>Equipment:</u></b>					
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:** ☐ New Tank Tank ID: \_\_\_\_\_

Contents	#	Capacity	Type	SE GPS

Inspector Name: MONTOYA, JOHN

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

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
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:	
Corrective Action:				Corrective Date:

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
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"> <li>• annual hydrostatic test on the oil dump line from the separator to the tank battery.</li> <li>• annual hydrostatic "static" tests on our oil tanks.</li> <li>• Annual hydrostatic "static" tests on our produced water tank and water dump line from the separator to the produced water tank.</li> <li>• Lease Operator inspections of all equipment not to exceed 48 hours.</li> <li>• Monthly documented inspections (EU).</li> <li>• Annual environmental inspections of all battery and well equipment and pads.</li> <li>• Annual UT inspections of the pressure vessels and input into Encana's RIPL Predictive Integrity Maintenance Program. (HLP separators and fuel gas separators)</li> </ul>
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.

Inspector Name: MONTOYA, JOHN

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.
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S/A/V: \_\_\_\_\_ 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:

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Summary of Operator Response to Landowner Issues:

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Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

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**Facility**

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

**Idle Well**

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: \_\_\_\_\_

S/A/V: 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:**

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: \_\_\_\_\_

<b>Land Use:</b> HAY MEADOW, OTHER			
<b>Comment:</b> <div style="border: 1px solid black; height: 20px;"></div>			
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	
<b>RESTORATION AND REVEGETATION</b>			
<u>Cropland</u>			
	Top soil replaced   _____	Recontoured   _____	Perennial forage re-established   _____
<u>Non-Cropland</u>			
	Top soil replaced   Pass	Recontoured   Pass	80% Revegetation   _____
1003 f.	Weeds Noxious weeds?   _____		
<b>Comment:</b> <div style="border: 1px solid black; height: 20px;"></div>			
<b>Overall Interim Reclamation</b>			
<b><u>Final Reclamation/ Abandoned Location:</u></b>			
Date Final Reclamation Started:	Date Final Reclamation Completed:		
Final Land Use:	HAY MEADOW, OTHER		
Reminder: _____			
<b>Comment:</b> <div style="border: 1px solid black; height: 20px;"></div>			
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.)