

**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:  
02/05/2015Document Number:  
670900068

Overall Inspection:

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

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	439197	439195	Peterson, Tom	<input type="checkbox"/>	

**Operator Information:**OGCC Operator Number: 10459Name of Operator: EXTRACTION OIL & GAS LLCAddress: 1888 SHERMAN ST #200City: DENVER State: CO Zip: 80203

- ☐ 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
Keidel, Janni	720-382-2682	jkeidel@extractionog.com	Sr. Regulatory Specialist
Patch, Brandon		brandontpatch@gmail.com	
		xtreme7@extractionog.com	

**Compliance Summary:**QtrQtr: NENW Sec: 19 Twp: 7N Range: 65W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
439193	WELL	XX	10/04/2014		123-40341	WAAG 5	XX
439194	WELL	DG	12/28/2014		123-40342	WAAG 1	DG
439196	WELL	DG	01/11/2015		123-40343	WAAG 2	DG
439197	WELL	DG	01/18/2015		123-40344	WAAG 3	DG
439198	WELL	XX	10/04/2014		123-40345	WAAG 4	XX

**Equipment:**Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>5</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>6</u>	Separators: <u>13</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: <u>1</u>	VOC Combustor: _____	Oil Tanks: <u>30</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

**Location**

<b>Lease Road:</b>				
Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	<b>ACTION REQUIRED</b>	Mud tracking is occurring from various points on location onto county road.	A designated location entrance and vehicle tracking pad need to be constructed.	02/16/2015

<b>Signs/Marker:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	<b>ACTION REQUIRED</b>	No placarding on drilling fluid tanks	Install sign to comply with rule 210.	<b>02/16/2015</b>

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

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

<b>Good Housekeeping:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TRASH	<b>ACTION REQUIRED</b>	Trash container has no cover	Remove or cover trash container	02/16/2015

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

<b>Venting:</b>		
Yes/No	Comment	

<b>Flaring:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 439197

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/A/V:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

Group	User	Comment	Date
OGLA	andrewsd	Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42.	09/22/2014
Final Review	deranleg	Operator shall install temporary engineering controls during drilling and completion activities to provide noise relief to nearby residents. Permanent equipment on location shall be muffled to reduce noise, or shall be appropriately buffered. Noise mitigation shall be designed and implemented to address both A-scale and C-scale noise. This COA for this Oil and Gas Location shall supersede any noise mitigation Best Management Practices proposed for individual Wells drilled from this multi-well pad.	10/04/2014

OGLA	andrewsd	Operator must implement site-specific best management practices in accordance with good engineering practices, including, but not limited to, construction of a berm or diversion dike, site grading, or other comparable measures, sufficient to protect the irrigation ditches and Eaton Ditch located 182 feet and 199 feet northeast and 199 feet and 256 feet northwest of the oil and gas location from a release of drilling, completion, produced fluids, and chemical products.	09/23/2014
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**S/A/V:** \_\_\_\_\_ **Comment:** \_\_\_\_\_

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Wildlife BMPs:**

BMP Type	Comment
Drilling/Completion Operations	Green Completions – Emission Control Systems. Test separators and associated flow lines and sand traps shall be installed on-site to accommodate Green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flow-back gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flow-back within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustion where non-combustible gases are present.
Drilling/Completion Operations	Closed Loop Drilling Systems – Pit Restrictions. Not applicable; a closed-loop system will be used for drilling.
Drilling/Completion Operations	BOPE for well servicing operations. Adequate BOP equipment shall be used. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid
Final Reclamation	Final Reclamation Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)
Drilling/Completion Operations	Pit level indicators. Not applicable; a closed-loop system will be used and no pits shall be dug.
Planning	Multi-well Pads. It is a multi-well pad located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas.
Drilling/Completion Operations	Guy line anchors. All guy line anchors shall be brightly marked pursuant to Rule 604.c (2)Q.
General Housekeeping	Fencing requirements. A permanent fencing plan will be reviewed by the surface owner, & the applicant
Final Reclamation	Well site cleared. Within 90-day subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site.
Drilling/Completion Operations	Control of fire hazards. All materials which are considered fire hazards shall be a minimum of 25' from the wellhead tanks or separators. Electrical equipment shall comply with API RP 500 and will comply with the current national electrical code. An emergency response plan has been generated for this site.
Material Handling and Spill Prevention	Leak Detection Plan. Pumper will visit the location daily and visually inspect all tanks and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR §112.
General Housekeeping	Removal of surface trash. All trash, debris and material not intrinsic to the operation of the oil and gas facility shall be removed and legally disposed of as is applicable.

Inspector Name: Peterson, Tom

Material Handling and Spill Prevention	Tank specifications. Tanks will be designed, constructed and maintained in accordance with NFPA Code 30. The tanks are visually inspected once a day for issues, and recorded inspections are conducted once a month.
Traffic control	Access roads. The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times.
Drilling/Completion Operations	Drill stem tests. Not applicable; no Drill Stem tests are planned.
Drilling/Completion Operations	Blowout preventer equipment ("BOPE"). A double ram and annular preventer will be used during drilling. At least the drilling company shall have a valid well blowout prevention certifications.
Planning	Light sources during all phases of operations will be directed downwards and away from occupied structures where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site. Lighting shall be mounted at compressor stations on a pole or building and directed downward to illuminate key areas within the facility, while minimizing the amount of light projected outside the facility.
Material Handling and Spill Prevention	Load-lines. All load-lines shall be bull-plugged or capped.
Material Handling and Spill Prevention	Berm construction. Tank berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition.

**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: 439197 Type: WELL API Number: 123-40344 Status: DG Insp. Status: DG

**Well Drilling**

Inspector Name: Peterson, Tom

**Rig:** Rig Name: Xtreme 7 Pusher/Rig Manager: \_\_\_\_\_  
Permit Posted: SATISFACTORY Access Sign: \_\_\_\_\_

**Well Control Equipment:**

Pipe Ram: \_\_\_\_\_ Blind Ram: \_\_\_\_\_ Hydril Type: \_\_\_\_\_  
Pressure Test BOP: \_\_\_\_\_ Test Pressure PSI: \_\_\_\_\_ Safety Plan: \_\_\_\_\_

**Drill Fluids Management:**

Lined Pit: \_\_\_\_\_ Unlined Pit: \_\_\_\_\_ Closed Loop: YES Semi-Closed Loop: \_\_\_\_\_  
Multi-Well: YES Disposal Location: \_\_\_\_\_

**Comment:**

Conducted a walk around location with a representative from Extraction and noted the following items. Chemicals are stored around location without covering or containment under bottoms of the pallets. Chemicals on north side of location are intermingled with oil barrels, chemical cans, and bagged goods. We requested that they separate chemicals by type ( IE. Rig oil drums-acids-bases-and be placed on mats that have plastic under the mat. We also requested that bagged pallets be covered so as to not represent airborne issues. Chemicals in conex containers have been torn open and contents have spilled onto floors. We are requesting the spilled contents be removed and the conexes be enclosed with a tarp to reduce airborne issues. Trash container has no cover which requires it be removed or tarped.

**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: IRRIGATED

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: IRRIGATED \_\_\_\_\_

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 ☐

Inspector Name: Peterson, Tom

<b>Storm Water:</b>						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Ditches	Fail	Gravel	Pass	CM	Fail	
				MHSP	Fail	

S/A/V: **ACTION REQUIRED** Corrective Date: **02/16/2015**

Comment: **Ditches around generators have been compromised in some areas and need to be cleaned out. Chemicals need to be covered. Chemical storage areas have no underlayment. Ditch around location has been compromised with someone driving thru it.**

CA: **Add BMPS to storage areas. Clean out ditches. Repair ditch around location**

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

### Attached Documents

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

Document Num	Description	URL
670900069	Ditch around equipment needs to be cleaned out	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545176">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545176</a>
670900070	Torn chemical bags on conex container	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545177">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545177</a>
670900071	Spilled chemicals on floor of conex container	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545178">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545178</a>
670900072	Uncovered chemical bags	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545179">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545179</a>
670900073	Spilled chemicals on floor of conex container	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545180">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545180</a>
670900074	Uncovered chemical bags	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545181">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3545181</a>

## **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.)