

**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:

01/26/2015

Document Number:

673801705

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 438066 | 438066 | Gomez, Jason | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 10470Name of Operator: CIRQUE RESOURCES LPAddress: 475 17TH STREET #1600City: 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 |
|--------------|-------|----------------------------|---------|
| | | blloyd@cirqueresources.com | |

Compliance Summary:QtrQtr: NENW Sec: 28 Twp: 12N Range: 66W**Inspector Comment:****Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|-----------------|-------------|-------------------------------------|
| 438065 | WELL | DG | 08/15/2014 | | 123-39863 | RAYLAY 28-3-1CH | PR | <input checked="" type="checkbox"/> |

Equipment:Location Inventory

| | | | |
|-------------------------------------|--------------------------------|-----------------------------|---------------------------------|
| Special Purpose Pits: <u> </u> | Drilling Pits: <u> </u> | Wells: <u>1</u> | Production Pits: <u> </u> |
| Condensate Tanks: <u> </u> | Water Tanks: <u>2</u> | Separators: <u>1</u> | Electric Motors: <u> </u> |
| Gas or Diesel Motors: <u>1</u> | Cavity Pumps: <u> </u> | LACT Unit: <u> </u> | Pump Jacks: <u>1</u> |
| Electric Generators: <u> </u> | Gas Pipeline: <u> </u> | Oil Pipeline: <u> </u> | Water Pipeline: <u> </u> |
| Gas Compressors: <u> </u> | VOC Combustor: <u>1</u> | Oil Tanks: <u>4</u> | Dehydrator Units: <u> </u> |
| Multi-Well Pits: <u> </u> | Pigging Station: <u> </u> | Flare: <u>1</u> | Fuel Tanks: <u>1</u> |

Location**Signs/Marker:**

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|----------|------------------------------|---------------------|---------------------------------------|-------------------|
| BATTERY | ACTION REQUIRED | No sign at battery | Install sign to comply with rule 210. | 02/26/2015 |
| WELLHEAD | ACTION REQUIRED | No sign at wellhead | Install sign to comply with rule 210. | 02/26/2015 |

Emergency Contact Number (S/A/V): ACTIONCorrective Date: 02/26/2015Comment: No Emergency contact information at locationCorrective Action: Install signs

| Good Housekeeping: | | | | |
|---------------------------|------------------------------|---|---|------------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| TRASH | ACTION REQUIRED | All locations, including wells, roads and surface capable of production, including production facilities, shall be kept free of weeds; rubbish, and other waste material. | Remove waste materials from location | 02/26/2015 |
| UNUSED EQUIPMENT | ACTION REQUIRED | Unused wellhead equipment lying by wellhead. Unused misc equipment lying on location | remove any unused equipment from location | 02/26/2015 |

| Spills: | | | | |
|----------------|-----------|-----------|--|------------|
| Type | Area | Volume | Corrective action | CA Date |
| Other | Pump Jack | <= 5 bbls | Approx 3'x4' stained soil on south end of wellhead from stuffing box of pump jack. | 02/26/2015 |

☐ Multiple Spills and Releases?

| Fencing/: | | | | |
|------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| LOCATION | SATISFACTORY | Wire | | |

| Equipment: | | | | | |
|-------------------------|---|------------------------------|---|------------------------------|------------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Pump Jack | 1 | SATISFACTORY | | | |
| Gas Meter Run | 1 | SATISFACTORY | | | |
| Deadman # & Marked | 4 | SATISFACTORY | | | |
| Ancillary equipment | 1 | SATISFACTORY | Temporary Generator | | |
| Ancillary equipment | 1 | SATISFACTORY | Methonal pump w/containment by wellhead | | |
| Ancillary equipment | 2 | SATISFACTORY | Electrical control boxes | | |
| Prime Mover | 1 | SATISFACTORY | Gas operated in containment of tank battery | | |
| Prime Mover | 1 | SATISFACTORY | Electric | | |
| Bird Protectors | 1 | ACTION REQUIRED | Repair bird protector on horizontal separator | Install Protective equipment | 02/26/2015 |
| Ancillary equipment | 1 | SATISFACTORY | Propane tank | | |
| Vertical Separator | 1 | SATISFACTORY | | | |
| Emission Control Device | 2 | SATISFACTORY | | | |

Inspector Name: Gomez, Jason

| | | | | | |
|-----------------------------|---|------------------------|--|---|------------|
| Horizontal Heated Separator | 1 | ACTION REQUIRED | Leaks on separator see attached photos | Repair leaks and remove or remediate stained soil | 02/26/2015 |
|-----------------------------|---|------------------------|--|---|------------|

Facilities: ☐ New Tank Tank ID: _____

| | | | | |
|----------|---|----------|-----------|-----------------------|
| Contents | # | Capacity | Type | SE GPS |
| OTHER | 1 | <50 BBLS | STEEL AST | 40.984750,-104.783080 |

| | | | |
|--------------------|--------------|------------------|--|
| S/A/V: | SATISFACTORY | Comment: | |
| Corrective Action: | | Corrective Date: | |

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| | | | | |
|------|----------|---------------------|---------------------|-------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| | | | | |

| | | | |
|-------------------|--|-----------------|--|
| Corrective Action | | Corrective Date | |
| Comment | | | |

Facilities: ☐ New Tank Tank ID: _____

| | | | | |
|----------------|---|----------|-----------|-----------------------|
| Contents | # | Capacity | Type | SE GPS |
| PRODUCED WATER | 3 | | STEEL AST | 40.985520,-104.782800 |

| | | | |
|--------------------|--------------|------------------|--|
| S/A/V: | SATISFACTORY | Comment: | |
| Corrective Action: | | Corrective Date: | |

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

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 | 5 | | STEEL AST | 40.985520,-104.782800 |

| | | | |
|--------------------|--------------|------------------|--|
| S/A/V: | SATISFACTORY | Comment: | |
| Corrective Action: | | Corrective Date: | |

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

Other (Content) _____

Other (Capacity) _____

Inspector Name: Gomez, Jason

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

Predrill

Location ID: 438066

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. | 07/09/2014 |

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: _____

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: 438065 Type: WELL API Number: 123-39863 Status: DG Insp. Status: PR

Producing Well

Comment: PR

Environmental**Spills/Releases:**

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Inspector Name: Gomez, Jason

| | | | |
|---|-------------------|--|------------|
| Comment: <input style="width:700px" type="text"/> | | | |
| 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: | | | |
| <input style="width:300px" type="text"/> | | | |
| Sample Location: <input style="width:400px" type="text"/> | | | |
| Emission Control Burner (ECB): Y _____ | | | |
| Comment: _____ | | | |
| Pilot: ON _____ | | Wildlife Protection Devices (fired vessels): YES _____ | |

Reclamation - Storm Water - Pit

| | | | |
|---|---|---|---|
| Interim Reclamation: | | | |
| Date Interim Reclamation Started: _____ | | Date Interim Reclamation Completed: _____ | |
| Land Use: RANGELAND | | | |
| Comment: <input style="width:700px" type="text"/> | | | |
| 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? _____ 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? In _____ | | Production areas stabilized ? In _____ |
| 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? In _____ | | Segregated soils have been replaced? In _____ |
| RESTORATION AND REVEGETATION | | | |
| <u>Cropland</u> | | | |
| | Top soil replaced _____ | | Recontoured _____ Perennial forage re-established _____ |

Inspector Name: Gomez, Jason

Non-Cropland

Top soil replaced _____ In _____

Recontoured _____ In _____

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Gravel | Pass | Gravel | Pass | | | |
| Ditches | Pass | Culverts | Pass | | | |

S/A/V: **ACTION REQUIRED**

Corrective Date: **02/26/2015**

Comment: **Erosion on south end of location**

CA: **Install BMP's to control erosion**

Pits: ☒ NO SURFACE INDICATION OF PIT

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.)