

**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:

04/21/2015

Document Number:

674002149

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 248215 | 328457 | Carlile, Craig | <input type="checkbox"/> | |

Operator Information:OGCC Operator Number: 47120Name of Operator: KERR MCGEE OIL & GAS ONSHORE LPAddress: P O BOX 173779City: DENVER State: CO Zip: 80217-

- ☒ 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 |
|---------------|----------------|-------------------------------|-----------------|
| , Inspections | | COGCCinspections@Anadarko.com | All Inspections |
| Avant, Paul | (720) 929-6457 | Paul.Avant@Anadarko.com | All Inspections |
| , Reddy | | luke.reddy@anadarko.com | |

Compliance Summary:QtrQtr: NWNE Sec: 23 Twp: 3N Range: 66W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 04/06/2015 | 674002126 | PR | PR | ACTION REQUIRED | | | No |
| 11/26/2013 | 674100032 | PR | PR | ACTION REQUIRED | F | | No |
| 12/27/2005 | 200083509 | PR | PR | SATISFACTORY | | Pass | No |
| 12/14/1997 | 500173014 | PR | PR | | | | |
| 12/12/1996 | 500173013 | PR | PR | | | | |
| 10/28/1996 | 500173012 | PR | PR | | | Pass | No |

Inspector Comment:**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|----------------|-------------|-------------------------------------|
| 248215 | WELL | PR | 09/16/2010 | GW | 123-16013 | KUGEL 31-23A | TA | <input checked="" type="checkbox"/> |
| 436226 | WELL | PR | 10/10/2014 | OW | 123-38999 | MELBA 26N-14HZ | PR | <input checked="" type="checkbox"/> |
| 436227 | WELL | PR | 10/10/2014 | OW | 123-39000 | MELBA 28N-14HZ | PR | <input checked="" type="checkbox"/> |
| 436228 | WELL | PR | 10/10/2014 | OW | 123-39001 | MELBA 2N-14HZ | PR | <input checked="" type="checkbox"/> |
| 436229 | WELL | PR | 10/10/2014 | OW | 123-39002 | MELBA 27N-14HZ | PR | <input checked="" type="checkbox"/> |

Equipment:Location Inventory

Inspector Name: Carlile, Craig

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: <u>5</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: _____ | Separators: _____ | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: <u>4</u> |
| 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

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

Comment: _____

Corrective Action: _____

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|------|------|--------|-------------------|---------|
|------|------|--------|-------------------|---------|

☐ Multiple Spills and Releases?

Venting:

| | |
|--------|---------|
| Yes/No | Comment |
|--------|---------|

Flaring:

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

Predrill

Location ID: 248215

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 |
|--|--|
| Planning | 604c.(2).V. Development From Existing Well Pads: KMG will locate the four proposed horizontal wells on the existing Kugel 31-23A pad location to reduce the amount of surface disturbance. |
| Planning | 604c.(2).S. Access Roads: KMG will utilize a lease access road from County Road 32 for drilling operations and maintenance equipment. The road will be properly constructed and maintained to accommodate for local emergency vehicle access. Water will be placed on dirt access roads to mitigate dust. Magnesium chloride will be used as needed on access roads to further abate dust. |
| Material Handling and Spill Prevention | 604c.(2).N. Control of Fire Hazards: KMG and its contractors will employ best management practices during the drilling and production of its wells and facilities and will comply with appropriate COGCC rules concerning safety and fire. KMG will ensure that any material that might be deemed a fire hazard will remain no less than twenty-five (25) feet from the wellhead(s), tanks and separator(s). |

| | |
|-------------------------------------|--|
| Final Reclamation | 604c.(2).U. Identification of Plugged and Abandoned Wells: Pursuant to rule 319.a.(5)., once the well has been plugged and abandoned, KMG will identify the location of the wellbore with a permanent monument that will detail the well name and date of plugging. |
| Traffic control | 604c.(2).D. Traffic Plan: If required by the local government, a traffic plan will be coordinated with the local jurisdiction prior to commencement of operations. |
| Noise mitigation | 604c.(2).A. Noise: Sound mitigation barriers (hay bales) will be placed along the northwest corner of the pad location to damper noise during drilling and completions to the nearby residences and to Weld County Roads 32 and 35. Sound surveys that have been conducted on each rig type are utilized to anticipate any additional noise mitigation once a drilling rig is determined. |
| General Housekeeping | 604c.(2).O. Loadlines: All loadlines shall be bullplugged or capped. |
| Drilling/Completion Operations | 604c.(2).L. Drill Stem Tests: No drill stem tests are planned and none will be performed without prior approval from the Director. |
| Drilling/Completion Operations | 604c.(2).H. BOPE: Our rigs at a minimum will have a double ram with blind and pipe ram; and annular preventer. |
| Construction | 604c.(2).M. Fencing Requirements: The completed wellsites will be surrounded with a fence and gate with adequate lock to restrict access to authorized personnel only. KMG personnel will monitor the wellsites regularly upon completion of the wells. Authorized representatives and/or KMG personnel shall be on-site during drilling and completion operations. |
| Drilling/Completion Operations | 604c.(2).K. Pit Level Indicators: All tanks (used in lieu of pits) contain pit level monitors with Electronic Drilling Recorders (EDR). KMG uses EDRs with pit level monitor(s) and alarm(s) for production rigs. Basic level gages are used on tanks utilized for the surface rig. |
| Planning | 604c.(2).E. Multiwell Pads: In order to reduce surface impact, this application is for a four-well pad on the existing location of the Kugel 31-23A well. |
| Drilling/Completion Operations | 604c.(2).J. BOPE for Well Servicing Operations: Blowout prevention equipment will be used on any servicing operations associated with this well. Backup stabbing valves will be used during any future servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation using low-pressure air and high-pressure fluid. |
| Final Reclamation | 604c.(2).T. Well Site Cleared: The wellsite will be cleared of all non-essential equipment within ninety (90) days after all wells associated with the pad have been plugged and abandoned. |
| General Housekeeping | 604c.(2).P. Removal of Surface Trash: A commercial size trash bin for removing debris will be located on site. This bin will be for use by all parties affiliated with the operation. |
| Storm Water/Erosion Control | 604c.(2).W. Site-Specific Measures: KMG maintains a Stormwater Management Plan that assesses erosion control for every KMG operated location. This well pad will be added to this plan once construction begins. This plan is updated every fourteen (14) days and after any major weather event. |
| Drilling/Completion Operations | 604c.(2).B. Closed Loop Drilling System: KMG will use a closed loop or "pitless" system for drilling and fluid management and will not construct a reserve pit. |
| Planning | 604c.(2).R. Tank Specifications: Two 500 barrel skid-mounted frac tanks will be temporarily placed on-site for use of the pre-spud rig only. One tank will store water and the other will store water based mud. |
| Community Outreach and Notification | Kerr-McGee will be putting hay bales on the north side, north northwest, and south southwest of the pad. Also, we will orient the rig to minimize the light disturbance to the homeowner. |
| Planning | 604c.(2).Q. Guy Line Anchors: Should guy line anchors be left buried for future use, they shall be identified by a bright marker greater than four (4) feet high and no more than one (1) foot east of the guy line anchor. |
| Drilling/Completion Operations | 604c.(2).I. BOPE Testing for Drilling Operations: Upon initial rig-up, BOPEs will be tested at a minimum of every 30 days. |
| Construction | 604c.(2).G. Berm Construction: Kerr-McGee will create tertiary containment by construction of a berm or diversion dike, site grading, or other comparable measures sufficient to further protect the pond located of the proposed oil and gas location. |

S/AV: _____ Comment: _____

CA: _____ Date: _____

Stormwater:

Inspector Name: Carlile, Craig

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: 248215 Type: WELL API Number: 123-16013 Status: PR Insp. Status: TA

Facility ID: 436226 Type: WELL API Number: 123-38999 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: plumbed to surface.

CA: _____

CA Date: _____

Facility ID: 436227 Type: WELL API Number: 123-39000 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: plumbed to surface.

CA: _____

CA Date: _____

Facility ID: 436228 Type: WELL API Number: 123-39001 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Inspector Name: Carlile, Craig

BradenHead

Comment: plumbed to surface.

CA: _____

CA Date: _____

Facility ID: 436229 Type: WELL API Number: 123-39002 Status: PR Insp. Status: PR

Producing Well

Comment: PR

BradenHead

Comment: plumbed to surface.

CA: _____

CA Date: _____

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: IMPROVED PASTURE

Comment: _____

1003a. Debris removed? Pass 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 _____

Inspector Name: Carlile, Craig

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 ? Pass

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: IMPROVED PASTURE

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---|
| Seeding | Pass | | | | | Seeded location area. Green growth evident. |

Inspector Name: Carlile, Craig

| | | | | | |
|---|------|--------|------|----------|---------------|
| Other | Pass | | | | Crimped straw |
| | | Gravel | Pass | | |
| S/A/V: SATISFACTOR Y Corrective Date: _____ | | | | | |
| Comment: _____ | | | | | |
| CA: _____ | | | | | |
| Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT | | | | | |
| COGCC Comments | | | | | |
| Comment | | | | User | Date |
| Followup inspection. Previously cited signage issues have been addressed. | | | | carlilec | 04/21/2015 |