

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:
06/26/2015

Document Number:
673710765

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>433248</u>	<u>433247</u>	<u>Sherman, Susan</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10261</u>
Name of Operator:	<u>BAYSWATER EXPLORATION AND PRODUCTION LLC</u>
Address:	<u>730 17TH ST STE 610</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
Richardson, Joe	(303) 893-2503 X210	jrichardson@bayswater.us	
Blyth, Tom	(303) 893-2503	tblyth@bayswater.us	
Barbula, Don	(303) 893-2503	dbarbula@bayswater.us	

Compliance Summary:

QtrQtr: SWSE Sec: 21 Twp: 2S Range: 56W

Inspector Comment:

All disturbed areas must be decompacted, have a good seedbed prepared, and then seeded by Fall 2015 with a seed mixture that matches the adjacent pastureland or a seed mixture requested by the landowner. After seeding, erosion controls must be implemented that stabilizes the seeded soil, e.g. a type of mulch.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
433248	WELL	WO	11/24/2014	SI	121-11027	Swan 21-44	PA <input checked="" type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: <u>1</u>	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: <u>1</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
<input type="checkbox"/> Multiple Spills and Releases?				

Venting:	
Yes/No	Comment

Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 433248

Site Preparation:
 Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: SATISFACTORY

S/A/V: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/A/V: ACTION **Comment:** No fence installed after drilling. Top soil pile present. No stormwater BMPs installed to prevent erosion.

CA: Complete Final Reclamation to the satisfaction of Owner. **Date:** 07/01/2016

Wildlife BMPs:

BMP Type	Comment
Interim Reclamation	Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.
Final Reclamation	-All surface restoration shall be accomplished to the satisfaction of surface owner. -All final seeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by surface owner. -Drilling pad size will be reclaimed to a simple vehicle turn-around area for daily maintenance of wells and pump jacks. -Final reclamation shall be completed to the reasonable satisfaction of the surface owner as soon as practical after installation (weather permitting) and in accordance with regulatory agency standards (BLM/COGCC).
Storm Water/Erosion Control	-Operator will make use of water bars, straw hay bales, gravel and other measures will be used to prevent erosion, storm water run-off and site degradation. -Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).

<p>Drilling/Completion Operations</p>	<p>-Light sources will be directed downwards and away from occupied structures during drilling operations. -Completion operations will be minimal as fracture stimulation is not necessary for our target formations in Adams and Washington County wells. -Noise and the numbers of days with equipment on site will be minimized due to completion techniques. -Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.</p>
<p>Construction</p>	<p>Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.</p>
<p>Planning</p>	<p>-When feasible, develop one unified separation and oil tank storage facility for multiple wells to reduce cumulative impacts, multiple facility footprints and adverse impacts on wildlife resources. -Plan for growth upfront in the design process such that tanks or water handling facilities can be added with minimal ground disturbance later in development or drilling progress.</p>
<p>Site Specific</p>	<p>-The facilities separation & oil storage equipment plus evaporation ponds will be fenced to restrict public and wildlife access. This includes the facilities and evaporation ponds. -The well site locations, facilities and the roads will be kept free of noxious weeds, litter and debris. -Spraying for noxious weeds will be applied as needed. -Operator will manage all facilities such that secondary containment berms and evaporation ponds are within the specifications set forth in the COGCC rules. -Gates and fences will be constructed and maintained where necessary. -Any lease roads used by operator, its employees, or contractors will be graded and maintained such that water can drain properly.</p>

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: 433248 Type: WELL API Number: 121-11027 Status: WO Insp. Status: PA

Cement

Cement Contractor

Contractor Name: Baker Hughes Contractor Phone:

Surface Casing

Cement Volume (sx): Circulate to Surface:
Cement Fall Back: Top Job, 1" Volume:

Intermediate Casing

Cement Volume (sxs): Good Return During Job:

Production Casing

Cement Volume (sx): Good Return During Job:

Plugging Operations

Depth Plugs(feet range): 1000 Cement Volume (sx): 40

Good Return During Job: YES Cement Type: Class G

Comment: Well never produced. No casing recovered. Water from Greeley. Rig-Basic Energy Services. Wireline-Warrior Energy Services, 3 full shots @ 1000' Cement to 818' annulus, 900' inside casing. 21.4 BBL water to displace cement. Did not lose circulation. 6/29/2015 Tag cement in casing @ 804' Perf @ 316', three shots. Tested line pressure to 1500 psi. MSDSs in cement truck Cemented to surface with 17 bbls, 15.8# cement.

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: Colby-Norka loam soil type.

- 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? _____ CM _____
CA _____ CA Date _____
- Guy line anchors marked? Pass 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: 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 _____

Inspector Name: Sherman, Susan

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
Compaction	Fail	Compaction	Pass			

S/A/V: **ACTION REQUIRED** Corrective Date: **07/31/2015**

Comment: **Erosion on N side of location (see attached photos).**

CA: **Install stormwater BMPs to prevent site degradation and offsite sediment transport.**

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
673710767	Bayswater Exploration Swan 21-44 PA	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3633925
673710794	Bayswater Exploration Swan 21-44 PA	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3633926

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.)