

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:
08/06/2015

Document Number:
680100072

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>334464</u>	<u>334464</u>	<u>Colby, Lou</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10433</u>
Name of Operator:	<u>PICEANCE ENERGY LLC</u>
Address:	<u>1512 LARIMER STREET #1000</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
Bankert, Wayne	(970) 683-5419	wbankert@laramie-energy.com	Senior Regulatory & Environmental Coordinator

Compliance Summary:

QtrQtr:	<u>NESE</u>	Sec:	<u>22</u>	Twp:	<u>9S</u>	Range:	<u>93W</u>
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Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/30/2015	675201871			ACTION REQUIRED			No
10/22/2014	675200673			SATISFACTORY			No
01/03/2013	668500252			SATISFACTORY	I		No

Inspector Comment:

Reclamation and stormwater focused inspection

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
297855	WELL	XX	12/22/2012	LO	077-09705	NVega 22-424	ND	<input checked="" type="checkbox"/>
297856	WELL	XX	12/06/2012	LO	077-09706	NVega 22-434	ND	<input checked="" type="checkbox"/>
297857	WELL	XX	12/05/2012	LO	077-09707	NVega 22-431	ND	<input checked="" type="checkbox"/>
297858	WELL	PR	04/03/2013	GW	077-09708	NVEGA 2C-22-433D	PR	<input checked="" type="checkbox"/>
299973	WELL	XX	12/05/2012	LO	077-09843	NVega 23-133	ND	<input checked="" type="checkbox"/>
299974	WELL	XX	12/05/2012	LO	077-09844	NVega 22-422	ND	<input checked="" type="checkbox"/>
299975	WELL	XX	09/01/2011	LO	077-09845	NVega 22-433	ND	<input checked="" type="checkbox"/>
299976	WELL	XX	12/05/2012	LO	077-09846	NVega 22-333	ND	<input checked="" type="checkbox"/>
299977	WELL	XX	12/05/2012	LO	077-09847	NVega 22-322	ND	<input checked="" type="checkbox"/>

Inspector Name: Colby, Lou

299978	WELL	XX	12/05/2012	LO	077-09848	NVega 22-432	ND	X
299979	WELL	XX	12/05/2012	LO	077-09849	NVega 22-342	ND	X
299980	WELL	XX	12/05/2012	LO	077-09850	NVega 22-343	ND	X
299981	WELL	XX	12/05/2012	LO	077-09851	NVega 22-423	ND	X
299982	WELL	XX	12/05/2012	LO	077-09852	NVega 22-332	ND	X
299994	WELL	XX	12/05/2012	LO	077-09853	NVega 22-323	ND	X

Equipment: Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
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

Lease Road:

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Main	ACTION REQUIRED	Thistle, B list Noxious weed lining road.	Control Noxious weeds.	08/28/2015

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

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
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Multiple Spills and Releases?

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 334464

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

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: 297855 Type: WELL API Number: 077-09705 Status: XX Insp. Status: ND

Facility ID: 297856 Type: WELL API Number: 077-09706 Status: XX Insp. Status: ND

Facility ID: 297857 Type: WELL API Number: 077-09707 Status: XX Insp. Status: ND

Facility ID: 297858 Type: WELL API Number: 077-09708 Status: PR Insp. Status: PR

Facility ID: 299973 Type: WELL API Number: 077-09843 Status: XX Insp. Status: ND

Facility ID: 299974 Type: WELL API Number: 077-09844 Status: XX Insp. Status: ND

Facility ID: <u>299975</u>	Type: <u>WELL</u>	API Number: <u>077-09845</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299976</u>	Type: <u>WELL</u>	API Number: <u>077-09846</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299977</u>	Type: <u>WELL</u>	API Number: <u>077-09847</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299978</u>	Type: <u>WELL</u>	API Number: <u>077-09848</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299979</u>	Type: <u>WELL</u>	API Number: <u>077-09849</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299980</u>	Type: <u>WELL</u>	API Number: <u>077-09850</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299981</u>	Type: <u>WELL</u>	API Number: <u>077-09851</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299982</u>	Type: <u>WELL</u>	API Number: <u>077-09852</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>299994</u>	Type: <u>WELL</u>	API Number: <u>077-09853</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>

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: _____
 Comment:
 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? Pass CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? Fail Production areas stabilized ? Fail

1003c. Compacted areas have been cross ripped? Fail

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? Fail
 Production areas have been stabilized? Fail Segregated soils have been replaced? Fail

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

1003 f. Weeds Noxious weeds? _____ F _____

Comment: Areas no longer needed for use have not been reclaimed for interim reclamation. Stabilizing and reclamation are lacking in southern berm/drainage area. Refer to Overall Status, Inspector comments for CAs and dates.

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

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	Fail					
Other	Fail					
Check Dams	Fail					
Retention Ponds	Pass					
Sediment Traps	Fail					

S/A/V: **ACTION REQUIRED** Corrective Date: **09/03/2015**

Comment: Lack of BMPs and reclamation are contributing to excessive sediment run-on and run-off. Rill and gully erosion is occurring in the cut and fill-slopes within the project area. This is resulting in a significant amount of sediment run-off from the location and run-on to the well pad working surface. See attached photos for additional detail.

CA: Stormwater BMPs need to be applied to de-energize and filter stormwater flows exiting the project area. Slopes need to be stabilized to reduce rill and gully erosion and sediment run-on from the cut-slopes.

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Location does not meet reclamation regulations. Revegetate the unused portions of the project area, as well as stabilize/reclaim South end of the location (refer to photos attached). Corrective Action date. Reclamation activities should be complete by end of Fall 2015.	colbyl	08/13/2015

Attached Documents

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

Document Num	Description	URL
680100080	Piceance NVega	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3662660

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.)