

**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:

09/18/2015

Document Number:

680100149

Overall Inspection:

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

|                     |             |        |                 |                          |             |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection       | 2A Doc Num: |
|                     | 311643      | 311643 | Colby, Lou      | <input type="checkbox"/> |             |

**Operator Information:**OGCC Operator Number: 10447Name of Operator: URSA OPERATING COMPANY LLCAddress: 602 SAWYER STREET #710City: HOUSTON State: TX Zip: 77007

- ☐ 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                            |
|-----------------|----------------|----------------------------|------------------------------------|
| Bleil, Rob      | (720) 508-8350 | rbleil@ursaresources.com   | Regulatory & Environmental Manager |
| Knudson, Dwayne | (970) 456-3335 | dknudson@ursaresources.com | Environmental Specialist           |

**Compliance Summary:**QtrQtr: SENE Sec: 16 Twp: 6S Range: 92W

| Insp. Date | Doc Num   | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 07/15/2014 | 675200229 |            |             | SATISFACTORY                  |          |                | No              |
| 06/11/2012 | 668100098 | AC         | AO          | SATISFACTORY                  |          |                | No              |

**Inspector Comment:**Interim Reclamation focused Inspection.**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name   | Insp Status |                                     |
|-------------|------|--------|-------------|------------|-----------|-----------------|-------------|-------------------------------------|
| 280074      | WELL | PR     | 12/14/2005  | GW         | 045-11173 | VALLEY FARMS B1 | PR          | <input checked="" type="checkbox"/> |
| 280352      | WELL | PR     | 06/01/2006  | GW         | 045-11243 | VALLEY FARMS B2 | PR          | <input checked="" type="checkbox"/> |
| 283980      | WELL | PR     | 03/30/2012  | GW         | 045-12055 | VALLEY FARMS B6 | PR          | <input checked="" type="checkbox"/> |
| 283984      | WELL | PR     | 03/27/2010  | GW         | 045-12061 | VALLEY FARMS B3 | PR          | <input checked="" type="checkbox"/> |
| 283985      | WELL | PR     | 12/22/2006  | GW         | 045-12060 | VALLEY FARMS B5 | PR          | <input checked="" type="checkbox"/> |
| 283987      | WELL | PR     | 06/30/2006  | GW         | 045-12062 | VALLEY FARMS B4 | PR          | <input checked="" type="checkbox"/> |
| 284240      | WELL | PR     | 04/13/2006  | GW         | 045-12118 | VALLEY FARMS B7 | PR          | <input checked="" type="checkbox"/> |

**Equipment:**Location Inventory

Inspector Name: Colby, Lou

|                              |                        |                     |                         |
|------------------------------|------------------------|---------------------|-------------------------|
| 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**

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: 311643

**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:****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: 280074 Type: WELL API Number: 045-11173 Status: PR Insp. Status: PR

Facility ID: 280352 Type: WELL API Number: 045-11243 Status: PR Insp. Status: PR

Facility ID: 283980 Type: WELL API Number: 045-12055 Status: PR Insp. Status: PR

Facility ID: 283984 Type: WELL API Number: 045-12061 Status: PR Insp. Status: PR

Facility ID: 283985 Type: WELL API Number: 045-12060 Status: PR Insp. Status: PR

Facility ID: 283987 Type: WELL API Number: 045-12062 Status: PR Insp. Status: PR

Inspector Name: Colby, Lou

Facility ID: 284240 Type: WELL API Number: 045-12118 Status: PR Insp. Status: PR

### 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: Range land

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? Fail Production areas stabilized ? Fail  
1003c. Compacted areas have been cross ripped?  
1003d. Drilling pit closed? Subsidence over on drill pit?

Inspector Name: Colby, Lou

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? \_\_\_\_\_

**RESTORATION AND REVEGETATION**

Cropland

Top soil replaced \_\_\_\_\_

Recontoured \_\_\_\_\_

Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced \_\_\_\_\_

Recontoured Pass

80% Revegetation Fail

1003 f. Weeds Noxious weeds? P

Comment: **Interim Reclamation has failed in portions of Loc. CA is: reinstall interim reclamation in failed areas, installing stormwater controls to stabilize sites while vegetation is establishing. CA date is 11/30/15. Refer to Comments and photos attached.**

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            |                         |                       |               |                          |         |
| Blankets         | Fail            |                         |                       |               |                          |         |

S/A/V: **ACTION REQUIRED** Corrective Date: **11/30/2015**

Comment: **Establishment of perennial vegetation has failed across much of the berm areas, resulting in erosion and run on.**

CA: **Reseed failed Interim Rec areas, installing BMPs to stabilize site, while vegetation is establishing.**

Pits: ☒ NO SURFACE INDICATION OF PIT

**COGCC Comments**

| Comment  | User   | Date       |
|--|--------|------------|
| Perennial species have not germinated or established on much of Location berms, leaving berms unstabilized. CA is : to reinstall Interim reclamation in failed areas, installing stormwater controls to stabilize sites while vegetation is establishing. CA date is 11/30/15 for completion of Reclamation activities and installation of BMPs. Refer to photos attached. | colbyl | 09/28/2015 |

**Attached Documents**

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

| Document Num | Description         | URL   |
|--------------|---------------------|---|
| 680100149    | INSPECTION APPROVED | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3691168">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3691168</a> |
| 680100164    | Inspection photos   | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3691165">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3691165</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.)