

FORM
INSPRev
05/11State of Colorado
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

| DE | ET | OE | ES |
|----|----|----|----|
|----|----|----|----|

Inspection Date:

11/06/2015

Document Number:

671000240

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 443844 | | LUJAN, CARLOS | <input type="checkbox"/> | |

Operator Information:

OGCC Operator Number: 100185

Name of Operator: ENCANA OIL & GAS (USA) INC

Address: 370 17TH ST STE 1700

City: 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 |
|------------------|-------|----------------------------|------------------------------|
| Spencer, Stan | | stan.spencer@state.co.us | EPS, NW Region |
| Middleton, Brett | | Brett.Middleton@encana.com | Environmental Specialist |
| Fischer, Alex | | alex.fischer@state.co.us | Environmental Supervisor, NW |
| Lujan, Carlos | | carlos.lujan@state.co.us | EPS, NW Region |
| Rider, Lindsey | | Lindsey.Rider@encana.com | Manager, Field Environmental |

Compliance Summary:

QtrQtr: Sec: Twp: Range:

Inspector Comment:

From e-form 19, doc #400928465: A 1" ball valve in the High Mesa to Wallace Creek 12" Water pipeline vault was found half open, resulting in release of produced water to surrounding area on slope, approximately 300 yards above Pete and Bill Creek. Immediate measures were taken to isolate line, stop flow and prevent surface flow of release from reaching the creek. On 11/03/2015, COGCC inspected the spill area. On site: Lindsey Rider, Brett Middleton from Encana and Carlos Lujan from COGCC. According to Encana, the released fluid was separated, filtered, and treated water. Lindsey Rider showed me the analytical results of a representative sample of the released fluid. Benzene concentration was 0.17 ug/L (1/3 of drinking water standard). Release from the vault flowed overland to a vegetated depression. Sub-surface flow occurred as well, producing some subsidence along the pipeline corridor. From there it traveled down a gulch and according to Encana, stopped approximately 30 ft before reaching Pete and Bill Creek. Encana collected soil samples along the flow path. Preliminary results indicate that the flow did not reach Pete and bill creek. The gulch is heavily vegetated with grass, shrubs, and trees.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------------------|--------|-------------|------------|---------|---------------------|-------------|
| 443844 | SPILL OR RELEASE | AC | 11/02/2015 | | - | SPILL/RELEASE POINT | AC |

Equipment:

Location Inventory

Location

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

Comment:

Corrective Action:

Spills:

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

Inspector Name: LUJAN, CARLOS

☐ Multiple Spills and Releases?

Venting:

Yes/No

Comment

Flaring:

Type

Satisfactory/Action Required

Comment

Corrective Action

CA Date

Predrill

Location ID: 443844

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: 0

Type: _____

API Number: -

Status: _____

Insp. Status: _____

Environmental**Spills/Releases:**Type of Spill: WATER Description: Filtered Estimated Spill Volume: _____

Comment: Release from the vault flowed overland to a vegetated depression. Sub-surface flow occurred as well, producing some subsidence along the pipeline corridor. From there it traveled down a gulch and according to Encana, stopped approximately 30 ft before reaching Pete and Bill Creek. Encana collected soil samples along the flow path. Preliminary results indicate that the flow did not reach Pete and bill creek. The gulch is heavily vegetated with grass, shrubs, and trees.

Corrective Action: Submit a supplemental spill report including: 1) Soil and water analytical results, 2) a Date: 11/16/2015Reportable: YES GPS: Lat _____ Long _____Proximity to Surface Water: 350 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? _____ 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 _____ 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 ? _____

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

Inspector Name: LUJAN, CARLOS

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: _____

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

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|---|--------|------------|
| Follow-up inspection in Spring 2015 to observe vegetation along the path of the release and determine if any action is required to enhance vegetation growth. | lujanc | 11/09/2015 |

Attached Documents

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

Inspector Name: LUJAN, CARLOS

| Document Num | Description | URL |
|--------------|--|---|
| 671000240 | INSPECTION APPROVED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3718197 |
| 671000242 | PhotoReport Encana PK36 Pipeline Release | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3718188 |

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.)