

**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:
11/23/2015Document Number:
675101949Overall Inspection:
SATISFACTORY**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	438180	438181	GRANAHAN, KYLE	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 47200Name of Operator: KGH OPERATING COMPANYAddress: P O BOX 2235City: BILLINGS State: MT Zip: 59103-

- ☒ 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
Hohn, Thomas	406-655-3381	kgh@hohneng.com	all inspections

Compliance Summary:QtrQtr: LOT5 Sec: 3 Twp: 1S Range: 104W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
12/18/2014	675100798	DG	PR	ACTION REQUIRED			No
09/12/2014	675100435	DG	DG	SATISFACTORY			No

Inspector Comment:Follow up inspection in regards to inspection doc # 675100798, all required corrective actions have been implemented.**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
438123	PIT	AC	08/12/2015		-	Meagher #3-3H	AC <input type="checkbox"/>
438180	WELL	PR	12/22/2014	OW	103-12121	Meagher 3-3H	PR <input checked="" type="checkbox"/>
438330	PIT	AC	08/12/2015		-	Meagher 3-3H	AC <input type="checkbox"/>
439149	SPILL OR RELEASE	AC	10/03/2014		-	SPILL/RELEASE POINT	AC <input type="checkbox"/>

Equipment:Location Inventory

Special Purpose Pits: _____	Drilling Pits: <u>1</u>	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: <u>1</u>	Electric Motors: <u>1</u>
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: <u>1</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			
WELLHEAD	SATISFACTORY			

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

Corrective Date: _____

Comment: 406-655-3381

Corrective Action: _____

Spills:				
Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Bird Protectors	3	SATISFACTORY			
Other	1	SATISFACTORY	Gas lift system		
Emission Control Device	1	SATISFACTORY			
Horizontal Heated Separator	2	SATISFACTORY			
Gas Meter Run	1	SATISFACTORY			

Facilities:				
<input type="checkbox"/> New Tank		Tank ID: _____		
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	STEEL AST	,
S/A/V: SATISFACTORY	Comment: Same containment as crude tanks			
Corrective Action:				Corrective Date: _____

Paint	
Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____
Other (Type)	_____

Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Corrective Action				Corrective Date: _____
Comment				

Facilities:				
<input type="checkbox"/> New Tank		Tank ID: _____		
Contents	#	Capacity	Type	SE GPS
CRUDE OIL	4	400 BBLS	HEATED STEEL AST	39.993540,-109.046520
S/A/V: SATISFACTORY	Comment:			

Inspector Name: GRANAHAH, KYLE

Corrective Action:					Corrective Date:	
Paint						
Condition	Adequate					
Other (Content)						
Other (Capacity)						
Other (Type)						
Berms						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate		
Corrective Action					Corrective Date	
Comment						

Venting:	
Yes/No	Comment
NO	

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

Predrill

Location ID: 438180

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkd	Notify the COGCC 48 hours prior to start of pad construction, pit construction, rig mobilization, spud, pipeline testing, start of hydraulic stimulation operations, and start of flowback operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).	05/27/2014
OGLA	kubeczkd	<p>No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining (if applicable) of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.</p> <p>Pits containing flowback fluids or produced water must be lined with a minimum 24 mil HDPE liner.</p> <p>For pits containing fluids other than freshwater only; the pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.</p> <p>Pits used exclusively for drilling shall be closed in accordance with the 1000-Series Rules. Any pit(s) used for purposes other than drilling shall be closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels; with an approved Site Investigation and Remediation Workplan, Form 27.</p>	05/27/2014

OGLA	kubeczkd	Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.	05/27/2014
OGLA	kubeczkd	The moisture content of any drill cuttings in a cuttings trench or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1. If the well is to be hydraulically stimulated, flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or storage vessel located on the well pad; or pit located adjacent to the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area constructed to be sufficiently impervious to contain any spilled or released material.	05/27/2014
OGLA	kubeczkd	Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network.	05/27/2014

S/A/V: SATISFACTORY

Comment:

COA's met at time of inspection

CA:

Date:

Wildlife BMPs:

BMP Type	Comment
Material Handling and Spill Prevention	Once the well is drilled and completed onsite KGH will prepare a SPCC plan for the site.
Wildlife	<p>SENSITIVE WILDLIFE AREA BMP</p> <ol style="list-style-type: none"> 1. Where oil and gas activities must occur in mule deer critical winter range or elk winter concentration areas, conduct those activities outside the time period from December 1 through April 15 (construction and drilling operations). 2. Restrict post-development well site visitations to between the hours of 10:00 AM and 3:00 PM and reduce well site visitations between December 1 and April 15 in mule deer and elk winter range. 3. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads. 4. Gate single-purpose roads and restrict general public access to reduce traffic disruptions to wildlife. 5. Close and immediately reclaim all roads that are redundant, not used regularly, or have been abandoned to the maximum extent possible to minimize disturbance and habitat fragmentation. 6. Avoid aggressive non-native grasses and shrubs in mule deer and elk habitat restoration. 7. Reclaim mule deer and elk habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed. 8. Restore appropriate sagebrush species or subspecies on disturbed sagebrush sites. Use locally collected seed for reseeding when possible.
Storm Water/Erosion Control	Stormwater management will be managed under KGH Operating Companies' (KGH) Stormwater Management Plan prepared for the project area. Prior to construction, a stormwater "perimeter" will be built around the site for initial work purposes. Once the drilling pad construction is completed, the site will be inspected and necessary Erosion Control Devices needed to manage sediment discharge from the pad will be installed. These devices may include but are not limited to: Rock Check Dams; Settling Ponds; Straw Waddles and; Silt Fencing.

S/A/V:

Comment:

CA:

Date:

Stormwater:

Comment:

Staking:

Inspector Name: GRANAHAN, KYLE

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: 438180 Type: WELL API Number: 103-12121 Status: PR Insp. Status: PR

Producing Well

Comment: Well PR - no leaks/spills present

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: RANGELAND

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? Pass 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: RANGELAND _____

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 _____

Inspector Name: GRANAHAN, KYLE

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	Pass			
				MHSP	Pass	
		Gravel	Pass			
Berms	Pass					
Compaction	Pass					
Gravel	Pass					

S/A/V: SATISFACTOR
Y

Corrective Date:

Comment: No sediment flow present.

CA:

Pits: ☒ NO SURFACE INDICATION OF PIT

Permit:	Facility ID	Permit Num	Expiration Date
	438330	400883090	
	438123	400883080	
	438123	400568838	
	438330	400883090	
	438330	400615539	