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: 11/21/2015

Document Number: 680100315

Overall Inspection: **ACTION REQUIRED**

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	419524	417777	Colby, Lou	☐	

Operator Information:

OGCC Operator Number: 10079

Name of Operator: ANTERO RESOURCES PICEANCE LLC

Address: 1625 17TH ST STE 300

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
Knudson, Dwayne	(970) 456-3335	dknudson@ursaresources.com	
Bleil, Rob	970-329-4373	rbleil@ursaresources.com	

Compliance Summary:

QtrQtr: SWSW Sec: 7 Twp: 6S Range: 91W

Inspector Comment:

This is an abandoned location inspection for well API 045-19946, a well release on an active location. APD for this Well Expired 9/28/12; Form 4 Doc# 400430648 filed 6/12/13 to Abandon APD. This well has Wellhead sign and appears Conductor Set; unlike the other four AL wells on Location: no visible evidence.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
417823	WELL	PR	01/17/2012	GW	045-19639	Frei A21	PR	☐
417824	WELL	PR	01/17/2012	GW	045-19640	Frei A11	PR	☐
417825	WELL	PR	01/24/2014	GW	045-19641	Frei A9	PR	☐
417829	WELL	PR	10/28/2011	GW	045-19642	Frei A16	PR	☐
419521	WELL	PR	06/11/2014	LO	045-19945	Frei A20	PR	☐
419524	WELL	AL	06/12/2013	LO	045-19946	Frei A17	ND	☒
419525	WELL	PR	09/24/2014	GW	045-19947	Frei A14	PR	☐
419526	WELL	AL	06/12/2013	LO	045-19948	Frei A13	AL	☐
419527	WELL	PR	07/21/2014	GW	045-19949	Frei A12	PR	☐
419528	WELL	AL	06/12/2013	LO	045-19950	Frei A15	AL	☐

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419529	WELL	PR	06/15/2014	GW	045-19951	Frei A18	PR
419530	WELL	DG	02/02/2014	LO	045-19952	Frei A4	DG
419532	WELL	PR	06/28/2015	LO	045-19953	Frei A23	PR
419534	WELL	DG	01/31/2014	LO	045-19954	Frei A2	DG
419535	WELL	PR	06/08/2014	GW	045-19955	Frei A19	PR
419536	WELL	AL	06/12/2013	LO	045-19956	Frei A22	AL
419537	WELL	AL	06/12/2013	LO	045-19957	Frei A8	AL
419539	WELL	DG	01/28/2014	LO	045-19958	Frei A1	DG
419540	WELL	DG	02/01/2014	LO	045-19959	Frei A3	DG
419541	WELL	PR	06/25/2015	LO	045-19960	Frei A24	PR
419542	WELL	PR	09/24/2014	GW	045-19961	Frei A10	PR
419543	WELL	AL	06/12/2013	LO	045-19962	Frei A7	AL

Equipment:

Location Inventory

Special Purpose Pits:		Drilling Pits:		Wells:	16	Production Pits:	
Condensate Tanks:	5	Water Tanks:	5	Separators:	4	Electric Motors:	
Gas or Diesel Mortors:		Cavity Pumps:		LACT Unit:		Pump Jacks:	
Electric Generators:		Gas Pipeline:	1	Oil Pipeline:	1	Water Pipeline:	1
Gas Compressors:		VOC Combustor:	1	Oil Tanks:		Dehydrator Units:	
Multi-Well Pits:		Pigging Station:	1	Flare:		Fuel Tanks:	

Location

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

Comment:

Corrective Action:

Spills:

Type	Area	Volume	Corrective action	CA Date

☐ Multilple Spills and Releases?

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Inspector Name: Colby, Lou

Location ID: 419524

Site Preparation:

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

S/A/V: _____

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

Form 2A COAs:

Group	User	Comment	Date
Agency	edelenr	Reserve pit must be lined or closed loop system must be implemented during drilling.	06/11/2010
OGLA	kubeczkd	Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations). As required for Groundwater Baseline Sampling; Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.	09/23/2013
Agency	edelenr	Operator must implement best management practices to contain any unintentional release of fluids.	06/11/2010
Agency	edelenr	The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.	06/11/2010
OGLA	deranleg	Operator will use adequately sized containment devices for all hazardous chemicals and/or hazardous materials stored or used on location.	12/08/2013
OGLA	kubeczkd	Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources. Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.	09/23/2013
Agency	edelenr	Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations. If fluids are conveyed via pipeline, operator must implement best management practices to contain any unintentional release of fluids.	06/11/2010
Agency	edelenr	Location is in a sensitive area because of proximity to surface water; therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations.	06/11/2010

OGLA	kubeczkd	Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) located on 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 with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material. 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. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to testing surface poly/sterel or buried poly/steel pipelines. Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing any surface or buried pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.	09/23/2013
Agency	kubeczkod	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 of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.	06/11/2010

S/A/V: **Comment:**

CA: **Date:**

Wildlife BMPs:

Inspector Name: Colby, Lou

BMP Type	Comment
Pre-Construction	• MULTI-WELL PAD - The location submittal as proposed will result in the ability to drill XX wells from a single location and eliminate the need for an additional well pad; hence a reduction in surface disturbance, traffic, and impacts to the environment and wildlife habitat. • SAFETY - The location and site layout has been designed to accommodate all operations within the limits of disturbance while meeting Federal and state safety regulations, including required buffers and distances between operating components and combustion sources. • DUST CONTROL - The pad and access road will be graveled to reduce fugitive dust. In addition, water and other dust suppressants are used as required, dependent upon the level of activity, moisture conditions, etc. • INTERIM RECLAMATION - The site will stabilized using seed mixes and materials compatible with soil types, moisture, and local climate conditions as specified in landowner surface use agreements, or locally acceptable industry practices. Seeding will be completed during optimum conditions to achieve best results for plant growth. • STORMWATER - The location will be constructed in accordance with the CDPHE Stormwater regulations as implemented by Ursa's Stormwater Management Plan, so as to control sediment run-off. Stormwater BMPs may also serve as secondary or tertiary containment in the event of a spill. Site specific plans (i.e. diagrams) will be developed and inspected against at the frequency required by CDPHE regulations, to include 14 day, 30 day, and major storm event inspections until 70% reclamation is achieved. Corrective actions will be tracked and implemented. COGCC inspections will be conducted through 80% interim reclamation and annually thereafter. These inspections are also tracked and corrective actions implemented. Native soils will be used whenever available to construct stormwater BMPs, supplemented by non-native materials based on site-specific conditions. • WASTE - The location will be managed in accordance with Ursa's Waste Management Plan as summarized in Attachment J(1) of this applications. The location will be constructed to minimize the potential for any exploration and production wastes, chemicals, fluids, etc. from leaving the location, including berms, barriers, and use of spill control materials.
Planning	• Due to the location of Ursa's operations, Ursa determined that the Rifle Office will be staffed with a Regulatory and Environmental Manager, and a landman; these positions didn't exist in the Rifle office under the previous operator. This decision reflects Ursa's commitment to sound environmental stewardship, and to an increased level of communication with all stakeholders (see below). • Ursa typically holds weekly meetings to address new, expanded, or additional wells at an Oil and Gas locations. Once a location is determined feasible, preliminary notifications are made to affected surface owners (see below) as a best management practice (BMP). • Prior to initiation of the Form 2A permitting process, internal onsites are held to determine the feasibility of the location (based on the SUA and landowner preferences), topographic constraints, proximity to building units, and public and environmental concerns including surface waters, traffic/haul routes, 317B applicability, wildlife RSOs and SWH areas, noise potential, soil stability, etc. All information that may affect the location is documented as appropriate in Ursa's "Site Assessment Checklist and Site Assessment Map" as a BMP. A copy of these internal practices was provided to the COGCC at the Setback Training on August 30, 2013 held in Grand Junction. • Upon approval of the Form 2A, Ursa holds Pre-Construction, Pre-Spud, Pre-Completions and Pre-Production meetings with contractors performing work at the location as determined necessary by the responsible Ursa Operations Manager or Supervisor. As a BMP, Ursa has developed checklists for these meetings to review COAs, NTOs and related issues. • Traffic and Public Safety – Ursa developed a site-specific Emergency Response Plan and Haul Route Map which is communicated to local emergency response agencies and stakeholders, as well as contractors performing work at the location.
Drilling/Completion Operations	• DIRECTIONAL DRILLING - Directional / horizontal drilling will be implemented to avoid the need for additional well pads; reducing habitat loss and fragmentation, noise, traffic concerns, etc. • NOISE - A sound barrier will be erected prior to drilling and remain in placed through completions to minimize noise. • WASTE - A closed-loop (pitless) drilling system will be used; No cuttings pit will be constructed; cuttings will be hauled to an approved waste facility (see Waste Management Plan Summary – Attachment J(1). • WATER SAMPLING - Baseline and post drilling water well testing will be performed for permitted water wells in accordance with COGCC Sec 609.

Drilling/Completion Operations	• CHEMICAL USE – All chemicals used will be tracked and reported in accordance with COGCC rules and submitted through FracFocus within 120 days of initiating well stimulation. • ODORS - Well completions will utilize flowback completion technologies and/or flares to reduce odors from plug drillout, and venting of salable and non-salable gas • WASTE - No stimulation or flowback pits will be constructed. • WORK HOURS - Completions will be conducted during daylight hours.
General Housekeeping	• GENERAL – AGENCY INSPECTIONS / CONCERNS Ursa has developed and implemented processes and systems to track all agency inspections and concerns (e.g. COGCC, CDPHE, BLM…). Corrective actions are typically implemented with 24 hours of discovery. • AIR – Ursa will comply with CDPHE regulations regarding air permits, including the application for general permits, including compliance monitoring. In addition, Ursa is required to track, monitor and report Greenhouse Gas (GHG) emissions to EPA. All air sources will be assigned AIRS ID numbers and tracked for compliance and reporting purposes. • CHEMICAL & MATERIAL HANDLING – All materials and chemicals will be managed to minimize environmental contamination. It should be noted that materials and chemicals that are not a waste may be reused or recycled. • NOXIOUS WEEDS – Weeds will be managed in accordance with Ursa's Noxious Weed plan; to include three treatments per year, mapping, etc. • SPILLS / INCIDENTS – Spill prevention is addressed in Ursa's Spill Prevention and Management Plan. This includes training of employees and contractors personnel. Spills response includes notifications, reporting, response actions, remediation and corrective actions. The spill criteria in Ursa's plan requires that waste be properly classified as E&P or non-E&P wastes. For E&P waste, all spills greater than 1 barrel the COGCC will be reported to the COGCC using a Form 19. Should remediation be required, a Form 27 will be submitted as well. Spills related to non-E&P waste will be managed in accordance with CDPHE and EPA regulations depending on the volume spilled. • WILDLIFE - A Wildlife Mitigation Plan (March 24, 2010) is in place that was agreed to by Ursa (previously Antero). The plan allows for 90+ well pads. Currently, Ursa has 62 well pads. Ursa is current on all obligations under the plan.
Community Outreach and Notification	• Voluntary Notifications - Once a new or expanded location, or additional wells are proposed, Ursa's land department contacts the landowner to get an initial approval, prior to formal Pre-application notifications to all affected stakeholders. • Once the Form 2A permitting process was initiated all surface owners and owners of building units within 1000 feet of the location were notified by letter with an invitation to meet or discuss the proposal (See Attachment J (2)). • Ursa routinely communicates proposed plans and operations schedules with Community Counts, the GARCO Energy Advisory Board, and Battlement Mesa Concerned Citizens (BMCC), if the proposal or work may affect Battlement Mesa. In addition, periodic stakeholder meetings are held with landowners and affected parties. • Communication with Kirby Wynn and municipal LGDs are also held routinely in addition to communication required by COGCC regulations.
Material Handling and Spill Prevention	• ODORS - Combustor controls will be used to mitigate odors from production tanks. • SPILL PREVENTION – Spills will be managed in accordance with Ursa's SPCC plan including prevention, spill containment and monthly inspections. High level alarms will be installed on production tanks. • VISUAL IMPACTS - Above-ground facilities (e.g. production tanks) will be managed to minimize visual effects (e.g. painted to blend with environment) • REMOTE MONITORING - Remote monitoring will be used to reduce truck traffic, fugitive dust to the extent practical. • WATER LINES - Water pipeline infrastructure will be installed concurrently with the gas pipeline infrastructure where possible. No water infrastructure currently exists. • WATER RECYCLING – Produced water used for well completions will be recycled and treated to the maximum extent practical. Water that can't be recycled will be injected through the use of wells approved by COGCC and Garfield County. • WILDLIFE – All separators/dehydrators and heater –treater equipment are outfitted with bird cones.

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: 419524 Type: WELL API Number: 045-19946 Status: AL Insp. Status: ND

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:

Lat Long

DWR Receipt Num: Owner Name: GPS :

Field Parameters:

Sample Location:

Emission Control Burner (ECB):

Comment:

Pilot: Wildlife Protection Devices (fired vessels):

Reclamation - Storm Water - Pit

Interim Reclamation:

Inspector Name: Colby, Lou

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: OTHER

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: _____

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: OTHER, 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 _____

Inspector Name: Colby, Lou

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

Comment: Well has conductor set with AL status 6/12/13.

Corrective Action: Close Conductor, consult COGCC NW Area Engineer for procedures guidance if needed. Date **12/31/2015**

Overall Final Reclamation Fail 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

Attached Documents

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

Document Num	Description	URL
680100317	Inspection Photo	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3730452

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.)