

**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:  
12/10/2015Document Number:  
682500206

Overall Inspection:

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

|                     |             |        |                 |                          |             |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection       | 2A Doc Num: |
|                     | 443962      | 443962 | Trujillo, Aaron | <input type="checkbox"/> |             |

**Operator Information:**OGCC Operator Number: 10518Name of Operator: EDGE ENERGY LLCAddress: 800 18TH STREET SUITE 300City: 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 |
|----------------|-------|--------------------------------------|---------|
| Rick Ohlemeier |       | rick.ohlemeier@iptenergyservices.com |         |

**Compliance Summary:**QtrQtr: NWSW Sec: 18 Twp: 4N Range: 62W**Inspector Comment:**This is a pre-drill construction and stormwater inspection.**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name        | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------------|-------------|
| 443961      | WELL | XX     | 11/14/2015  |            | 123-42434 | Flaherty 18-13-12NBH | XX          |
| 443963      | WELL | XX     | 11/14/2015  |            | 123-42435 | Flaherty 18-7-10NBH  | XX          |
| 444033      | WELL | XX     | 11/20/2015  |            | 123-42463 | Flaherty 18-13-2NBH  | XX          |
| 444034      | WELL | XX     | 11/20/2015  |            | 123-42464 | Flaherty 18-13-20NBH | XX          |

**Equipment:**Location Inventory

|                             |                        |                       |                         |
|-----------------------------|------------------------|-----------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____   | Wells: <u>5</u>       | Production Pits: _____  |
| Condensate Tanks: _____     | Water Tanks: <u>10</u> | Separators: <u>15</u> | Electric Motors: _____  |
| Gas or Diesel Motors: _____ | Cavity Pumps: _____    | LACT Unit: _____      | Pump Jacks: _____       |
| Electric Generators: _____  | Gas Pipeline: _____    | Oil Pipeline: _____   | Water Pipeline: _____   |
| Gas Compressors: _____      | VOC Combustor: _____   | Oil Tanks: <u>30</u>  | 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 |
|------|------|--------|-------------------|---------|
|------|------|--------|-------------------|---------|

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☐ Multiple Spills and Releases?

|                 |         |
|-----------------|---------|
| <b>Venting:</b> |         |
| Yes/No          | Comment |
|                 |         |

|                 |                              |         |                   |         |
|-----------------|------------------------------|---------|-------------------|---------|
| <b>Flaring:</b> |                              |         |                   |         |
| Type            | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|                 |                              |         |                   |         |

**Predrill**

Location ID: 443962

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/A/V:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

| Group | User    | Comment   | Date       |
|-------|---------|---|------------|
| OGLA  | HouseyM | Operator shall use tertiary containment along the cross- and down-gradient perimeters of the Location to prevent stormwater migration into the nearby drainage. | 11/02/2015 |

**S/A/V:** \_\_\_\_\_ **Comment:** \_\_\_\_\_

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Wildlife BMPs:**

| BMP Type                       | Comment  |
|--------------------------------|--|
| Dust control                   | Rule 805.c. - Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during highwind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers, or automation of wells to reduce truck traffic may also be required if technologically feasible and economically reasonable to minimize fugitive dust emissions. |
| General Housekeeping           | Rule 604.c.(2)P. Trash Removal: All trash, debris and material not intrinsic to the operation of the oil and gas facility shall be removed and legally disposed of as applicable.  |
| Traffic control                | 604.c.(2)S. Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. Traffic will be routed to minimize local interruption. Dust control measures will also be utilized.<br><br>604.c.(2)D: If required by the local government, a traffic plan shall be coordinated with the local jurisdiction prior to commencement of move in and rig up. Any subsequent modification to the traffic plan must be coordinated with the local jurisdiction.   |
| Storm Water/Erosion Control    | Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).  |
| Drilling/Completion Operations | 317.p. Requirement to Log Well: Logging Open hole resistivity log with gamma ray will be run on one of the first wells drilled on this pad to describe the stratigraphy of the vertical section of the wellbore and to adequately verify the setting depth of the surface casing and aquifer coverage. A CBL will be run on all production casing or, in the case of a production liner, the intermediate casing, when these casing strings are run. The Drilling Completion Report-Form 5 for every well on the pad shall identify which well was logged.   |
| Planning                       | Rule 604.c(2)M. Fencing: A meeting with the surface owner will determine a fencing plan.   |

|  |   |
|--|---|
| Drilling/Completion Operations         | <p>604.c.(2)I BOPE Testing for Drilling Operations: Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections shall be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing shall be conducted and the documented results shall be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing shall be conducted on a daily basis when practicable.</p> <p>604.c.(2)L. Drill Stem Tests: Closed chamber drill stem tests shall be allowed. All other drill stem tests shall require approval by the Director. None planned for this well.</p> <p>604.c.(2).K. Pit Level Indicators: Pit level Indicators shall be used on location. No pit is planned on this location.</p> <p>604.c.(2).O. Loadlines: All loadlines shall be bullplugged or capped.</p> <p>207.b. Bradenhead Monitoring: Operator acknowledges and will comply with COGCC Policy for Braden-head Monitoring during Hydraulic Fracturing Treatments in the Greater Wattenberg Area dated May 29, 2012.</p> <p>Anti-collision: Operator will perform an anti-collision evaluation of all active (producing, shut in, or temporarily abandoned) offset wellbores that have the potential of being within 150 feet of a proposed well prior to drilling operations for the proposed well. Notice shall be given to all offset operators prior to drilling.</p> <p>604.c.(2)B.i Closed Loop Drilling Systems – Pit Restrictions: Operator will be utilizing a closed loop system</p> <p>604.c.(2)H. Blowout Preventer Equipment (“BOPE”): A double ram and annular preventer will be used during drilling. At least the drilling company shall have a valid well blowout prevention certifications.</p> <p>604.c.(2)J. BOPE for Well Servicing Operations: Adequate BOP equipment shall be used. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid. Backup stabbing valves be required on well servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.</p> |
| Emissions mitigation                   | <p>Green Completions - Emission Control System: Measures will be undertaken to reduce emissions of salable gas and condensate vapors during cleanout and flowback operations prior to the well being placed on production. Test separators and associated flow lines and sand traps shall be installed to accommodate green completions techniques pursuant to COGCC Rules. Edge Energy is working with a midstream operator in the area and will tie into their system for gas transportation and sales as soon as practicable. The ECD shall have an adequate capacity for 1.5 times the largest flowback within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustions where non-combustible gases are present.</p>  |
| Odor mitigation                        | <p>805 Odors and Dust: Oil &amp; gas facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare.</p>  |
| Material Handling and Spill Prevention | <p>Rule 604.c.(2)F. Leak Detention Plan: Pumper will visit the location daily and visually inspect all tanks and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR 112.</p> <p>Rule 604.c.(2)R Tank Specifications: Tanks will be designed, constructed and maintained in accordance with NFPA Code 30. The tanks are visually inspected once a day for issues, and recorded inspections are conducted once a month.</p>  |
| Final Reclamation                      | <p>604.c.(2)T. Well Site Cleared: Within 90 days subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site. Identification of plugged and abandoned wells will be identified pursuant to 319.a.(5)</p> <p>604.c.(2).U. Identification of Plugged and Abandoned Wells: The operator shall identify the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument.</p>   |

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|              |  |
|--------------|--|
| Construction | <p>Rule 604.c.(2).E. This will be a multi-well pad.</p> <p>Rule 604.c.(3)B. Berm Construction. Tank berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition. Secondary containment devices shall be sufficiently impervious to contain any spilled or released material. Tertiary containment, such as an earthen berm, will be installed around production facilities.</p> <p>Rule 803 Light sources during all phases of operations will be directed downwards and away from occupied structures where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site. Lighting shall be mounted at compressor stations on a pole or building and directed downward to illuminate key areas within the facility, while minimizing the amount of light projected outside the facility.</p> <p>Rule 604.c.(2).Q. All guy line anchors left buried for future use shall be identified by a marker of bright color not less than four (4) feet in height and not greater than one (1) foot east of the guy line anchor.</p> |
|--------------|--|

S/A/V: \_\_\_\_\_ Comment: \_\_\_\_\_

CA: \_\_\_\_\_ Date: \_\_\_\_\_

**Stormwater:**

|              |         |            |         |
|--------------|---------|------------|---------|
| Erosion BMPs | Present | Other BMPs | Present |
|              |         |            |         |

S/A/V: ACTION  
REQUIRED

Corrective Action: **Instal site sufficient stormwater sediment BMPs** Date: 12/14/2015

Comments: Erosion BMPs: \_\_\_\_\_

Other BMPs: **See "COGCC Comments"**

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: \_\_\_\_\_ 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:**

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: RANGELAND

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? \_\_\_\_\_

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**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 \_\_\_\_\_

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       |
|---|------------|------------|
| Insufficient site specific stormwater BMPs in place prior to construction activities. Please see photos in attached document. | trujilloam | 12/10/2015 |
| Instal and maintain stormwater BMPs by CA date of 12/14/2015.   |            |            |

**Attached Documents**

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

Inspector Name: Trujillo, Aaron

| Document Num | Description                 | URL   |
|--------------|-----------------------------|---|
| 682500207    | Pre-drill Inspection Photos | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3738804">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3738804</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.)