

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:
11/26/2015

Document Number:
680100338

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>335550</u>	<u>335550</u>	<u>Colby, Lou</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10447</u>
Name of Operator:	<u>URSA OPERATING COMPANY LLC</u>
Address:	<u>602 SAWYER STREET #710</u>
City:	<u>HOUSTON TX</u> State: <u>TX</u> Zip: <u>77007</u>

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

Compliance Summary:

Qtr/Sec:	<u>SWNE</u>	Sec:	<u>18</u>	Twp:	<u>6S</u>	Range:	<u>92W</u>
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/19/2015	680100229			ACTION REQUIRED	F		No
08/11/2015	680100078			ACTION REQUIRED	F		No

Inspector Comment:

Interim Reclamation and Stormwater focused Inspection. . Any Corrective Actions from previous inspections that have not been addressed are still applicable. Six XX Wells have Form 4s, Abandon Permits filed 11/19/13, of those four with conductors set. Another Field Inspection will be conducted to verify Well Status. This Inspection was conducted to Monitor Compliance with Corrective Actions from Insp# 680100078. Any Operator written response or comments on Corrective Actions should be submitted attached to a Form 4.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
293098	WELL	PR	12/14/2012	GW	045-14882	DIXON A8	PR	<input checked="" type="checkbox"/>
293099	WELL	XX	10/05/2011	LO	045-14883	DIXON A7	TA	<input checked="" type="checkbox"/>
293100	WELL	PR	10/15/2012	GW	045-14884	DIXON A3	PR	<input checked="" type="checkbox"/>
293101	WELL	PR	09/13/2012	GW	045-14885	DIXON A2	PR	<input checked="" type="checkbox"/>
293102	WELL	PR	12/14/2012	GW	045-14886	DIXON A1	PR	<input checked="" type="checkbox"/>
293103	WELL	XX	03/14/2014	LO	045-14887	Dixon A4	XX	<input checked="" type="checkbox"/>
293104	WELL	PR	12/14/2012	GW	045-14888	DIXON A5	PR	<input checked="" type="checkbox"/>
293105	WELL	PR	12/14/2012	GW	045-14889	DIXON A6	PR	<input checked="" type="checkbox"/>

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293106	WELL	PR	09/12/2012	GW	045-14890	DIXON A9	PR	<input checked="" type="checkbox"/>
293151	WELL	XX	10/05/2011	LO	045-14900	DIXON A16	XX	<input checked="" type="checkbox"/>
293152	WELL	XX	10/05/2011	LO	045-14901	DIXON A15	XX	<input checked="" type="checkbox"/>
293153	WELL	XX	10/05/2011	LO	045-14902	DIXON A14	XX	<input checked="" type="checkbox"/>
293154	WELL	XX	10/05/2011	LO	045-14903	DIXON A12	XX	<input checked="" type="checkbox"/>
293156	WELL	XX	10/05/2011	LO	045-14904	DIXON A13	XX	<input checked="" type="checkbox"/>
293157	WELL	PR	12/14/2012	GW	045-14905	DIXON A11	PR	<input checked="" type="checkbox"/>
293158	WELL	XX	10/05/2011	LO	045-14906	DIXON A10	XX	<input checked="" type="checkbox"/>

Equipment: Location Inventory

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: _____

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
DEBRIS	ACTION REQUIRED	Kochia is Debris; now senesced, at stage to break and tumble, infecting adjacent properties, production facilities and BMPs.	Control Debris (kochia). CA date is from previous Insp# 680100078.	09/04/2015
WEEDS	ACTION REQUIRED	Kochia infestation is now Debris; senesced, at stage to break and tumble, infecting adjacent properties, production facilities and BMPs.	Control Weeds. CA date is from previous Insp# 680100078.	09/04/2015

Spills:

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

Venting:	
Yes/No	Comment

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

Predrill

Location ID: 335550

Site Preparation:

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

S/AV: _____

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

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **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: 293098 Type: WELL API Number: 045-14882 Status: PR Insp. Status: PR

Facility ID: 293099 Type: WELL API Number: 045-14883 Status: XX Insp. Status: TA

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Facility ID:	293100	Type:	WELL	API Number:	045-14884	Status:	PR	Insp. Status:	PR
Facility ID:	293101	Type:	WELL	API Number:	045-14885	Status:	PR	Insp. Status:	PR
Facility ID:	293102	Type:	WELL	API Number:	045-14886	Status:	PR	Insp. Status:	PR
Facility ID:	293103	Type:	WELL	API Number:	045-14887	Status:	XX	Insp. Status:	XX
Facility ID:	293104	Type:	WELL	API Number:	045-14888	Status:	PR	Insp. Status:	PR
Facility ID:	293105	Type:	WELL	API Number:	045-14889	Status:	PR	Insp. Status:	PR
Facility ID:	293106	Type:	WELL	API Number:	045-14890	Status:	PR	Insp. Status:	PR
Facility ID:	293151	Type:	WELL	API Number:	045-14900	Status:	XX	Insp. Status:	XX
Facility ID:	293152	Type:	WELL	API Number:	045-14901	Status:	XX	Insp. Status:	XX
Facility ID:	293153	Type:	WELL	API Number:	045-14902	Status:	XX	Insp. Status:	XX
Facility ID:	293154	Type:	WELL	API Number:	045-14903	Status:	XX	Insp. Status:	XX
Facility ID:	293156	Type:	WELL	API Number:	045-14904	Status:	XX	Insp. Status:	XX
Facility ID:	293157	Type:	WELL	API Number:	045-14905	Status:	PR	Insp. Status:	PR
Facility ID:	293158	Type:	WELL	API Number:	045-14906	Status:	XX	Insp. Status:	XX

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: 09/30/2014 Date Interim Reclamation Completed:

Land Use:

Comment: Land Use for this Location needs to be reassessed, Historical and USDA Photos indicate it's past designation as Crop Ground. Majority of Vegetation within Interim Reclamation Area is Kochia, not an acceptable Vegetative cover. Dense canopy and competitive proclivities of this nuisance opportunist have severely limited germination of any perennial species.

1003a. Debris removed? CM CA Waste Material Onsite? Pass CM Unused or unneeded equipment onsite? Pass CM Pit, cellars, rat holes and other bores closed? Pass CM Guy line anchors removed? CM Guy line anchors marked? Pass CM

1003b. Area no longer in use? Production areas stabilized ?

1003c. Compacted areas have been cross ripped? Pass

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

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? Pass

RESTORATION AND REVEGETATION

Cropland

Top soil replaced Recontoured Perennial forage re-established

Non-Cropland

Top soil replaced Pass Recontoured Pass 80% Revegetation Fail

1003 f. Weeds Noxious weeds? P

Comment: Interim Reclamation has not progressed. Few if any desirable species establishing. Refer to Overall Status and Photos attached. CA is to revegetate failed Interim Reclamation areas; reclamation activities complete by end of Fall 2015.

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: Date Final Reclamation Completed:

Final Land Use:

Reminder:

Comment:

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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					

S/A/V: **ACTION REQUIRED** Corrective Date: **06/30/2016**
 Comment: **Seeding has failed. Kochia is the stabilizing vegetation and it is not an acceptable erosion control or Stormwater BMP.**
 CA: **Reseed failed areas of berms and slopes.**

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Housekeeping CAs from previous Inspections (CA Date of 9/24/15) have not been addressed. The time window to implement the Interim Reclamation CA has narrowed to negligible (Weather, Ground freeze Up). CA Date for reseeding/ revegetating failed areas of Interim Reclamation area was End of Fall 2015. Another monitoring Inspection will be conducted at that date to be sure Operator has been given Full scope of the CA timeline to comply. Operator is encouraged to submit a Form 42 if they have interseeded or preformed Reclamation work in some manner not visible to Inspector. Any Operator written response or comments on Corrective Actions should be submitted attached to a Form 4.	colbyl	12/16/2015

Attached Documents

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

Document Num	Description	URL
680100339	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3742770

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.)