

**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

Inspection Date:

05/16/2016

Document Number:

678800057

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

| | | | | |
|---------------------|-------------|--------|-----------------|---|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection <input type="checkbox"/> |
| | 438290 | 311597 | LEONARD, MIKE | 2A Doc Num: _____ |

Operator Information:OGCC Operator Number: 96850Name of Operator: WPX ENERGY ROCKY MOUNTAIN LLCAddress: PO BOX 370City: PARACHUTE State: CO Zip: 81635

- ☐ 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 |
|--------------|-------|-------------------------------|---------|
| | | Michael.Gardner@wpxenergy.com | |

Compliance Summary:QtrQtr: NENW Sec: 12 Twp: 7S Range: 96W**Inspector Comment:**

This Inspection document is for testing of the Field inspection Resolution Form and process. No actual corrective actions were found on this location as documented by this form.

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------|-------------|
| 211502 | WELL | PR | 04/06/1998 | GW | 045-07262 | EXXON GM 21-12 | PR |
| 259747 | WELL | PR | 04/09/2001 | GW | 045-07778 | GM 321-12 | PR |
| 438288 | WELL | PR | 02/10/2015 | OW | 045-22462 | GM 411-12 | PR |
| 438289 | WELL | PR | 02/10/2015 | OW | 045-22463 | GM 531-12 | PR |
| 438290 | WELL | PR | 02/04/2015 | GW | 045-22464 | GM 43-12 | PR |
| 438291 | WELL | PR | 02/10/2015 | OW | 045-22465 | GM 342-12 | PR |
| 438292 | WELL | PR | 02/04/2015 | GW | 045-22466 | GM 343-12 | PR |
| 438293 | WELL | PR | 02/09/2015 | OW | 045-22467 | GM 332-12 | PR |
| 438294 | WELL | PR | 02/04/2015 | GW | 045-22468 | GM 443-12 | PR |
| 438295 | WELL | PR | 02/04/2015 | GW | 045-22469 | GM 542-12 | PR |
| 438296 | WELL | PR | 02/04/2015 | GW | 045-22470 | GM 32-12 | PR |

Equipment:Location Inventory

Inspector Name: LEONARD, MIKE

| | | | |
|------------------------------|------------------------|---------------------|-------------------------|
| Special Purpose Pits: _____ | Drilling Pits: _____ | Wells: 11 | Production Pits: _____ |
| Condensate Tanks: 3 | Water Tanks: 3 | Separators: 11 | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: _____ |
| Electric Generators: _____ | Gas Pipeline: _____ | Oil Pipeline: _____ | Water Pipeline: _____ |
| Gas Compressors: _____ | VOC Combustor: 1 | Oil Tanks: _____ | Dehydrator Units: _____ |
| Multi-Well Pits: _____ | Pigging Station: _____ | Flare: _____ | Fuel Tanks: _____ |

Location

| | | | | |
|--------------------|------------------------------|---------|---|------------|
| Lease Road: | | | | |
| Type | Satisfactory/Action Required | comment | Corrective Action | Date |
| Access | ACTION REQUIRED | | This Inspection document is for testing of the Field inspection Resolution Form and process. No actual corrective actions were found on this location as documented by this form. | 05/26/2016 |

| | | | | |
|----------------------|------------------------------|---------|-------------------|---------|
| Signs/Marker: | | | | |
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| | | | | |

Emergency Contact Number (S/AR): _____ Corrective Date: _____

Comment: This Inspection document is for testing of the Field inspection Resolution Form and process. No actual corrective actions were found on this location as documented by this form.

Corrective Action: _____

| | | | | |
|---------------------------|------------------------------|---------|---|------------|
| Good Housekeeping: | | | | |
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| OTHER | ACTION REQUIRED | | This Inspection document is for testing of the Field inspection Resolution Form and process. No actual corrective actions were found on this location as documented by this form. | 05/26/2016 |

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

| | | | | |
|------------------|------------------------------|---------|---|------------|
| Fencing/: | | | | |
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| | ACTION REQUIRED | | This Inspection document is for testing of the Field inspection Resolution Form and process. No actual corrective actions were found on this location as documented by this form. | 05/26/2016 |

| | | | | |
|-------------------|---|-------------------------------|--|--|
| Equipment: | | | | |
| Type: | # | Satisfactory/Action Required: | | |

| | |
|-------------------|-------|
| Comment | |
| Corrective Action | Date: |

Venting:

| | |
|---------|--|
| Yes/No | |
| Comment | |

Flaring:

| | | | |
|--------------------|--|------------------------------|--|
| Type | | Satisfactory/Action Required | |
| Comment: | | | |
| Corrective Action: | | Correct Action Date: | |

Predrill

Location ID: 438290

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

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

Form 2A COAs:

| Group | User | Comment | Date |
|-------|----------|--|------------|
| 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. 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 (corrugated steel with poly liner) to contain any spilled or released material around permanent crude oil, condensate, and produced water storage tanks. | 05/20/2014 |
| 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. | 05/20/2014 |
| OGLA | kubeczkd | Notify the COGCC 48 hours prior to start of pad 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). | 05/20/2014 |
| OGLA | kubeczkd | The moisture content of any cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. 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 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 constructed to be sufficiently impervious to contain any spilled or released material. | 05/20/2014 |

S/AR: _____ **Comment:** _____

CA:

Date:

Wildlife BMPs:

| BMP Type | Comment |
|--------------------------------|--|
| Construction | <p>Close and reclaim roads not necessary for development, including removing all bridges and culverts and recontouring/reclaiming all stream crossings.</p> <p>Structures for perennial or intermittent stream channel crossings should be constructed using appropriately sized bridges or culverts.</p> <p>Design road crossings of streams to allow fish passage at all flows and to minimize the generation of sediment.</p> <p>Design road crossings of streams at right angles to all riparian corridors and streams to minimize the area of disturbance to the extent possible.</p> |
| Drilling/Completion Operations | <p>Use centralized hydraulic fracturing operations.</p> <p>Install and maintain adequate measures to exclude all types of wildlife (e.g., big game, birds, and small rodents) from all fluid pits (e.g., fencing, netting, and other appropriate exclusion measures).</p> <p>Conduct well completions with drilling operations to limit the number of rig moves and traffic.</p> <p>Flowlines are 2" 1502 steel lines. They are rated to 15,000psi and are pressure tested before each job to the maximum working pressure anticipated, approximately 7,500psi on this pad. The manifold is 3" line rated to 15,000psi which is also pressure tested to maximum working pressure.</p> <p>We will use a choke manifold in front of the primary 4 phase high stage separator. The 4 phase separator is rated for 4000psi and is capable of handling 90 MMcf/day and 13,956 bbls per day with a 1.25" discharge orifice. Gas from the 4 phase separator is sent to sales. Water from the 4 phase separator is sent to the bullet tank (Pneumatic Tank) to "flash" the water before being sent to sealed flowback water tanks and then moved to the frac tanks to be re-used for frac fluid.</p> <p>"Flashing" the water in the bullet tank allows for the pressure to be dropped to near atmospheric and releases any fugitive gas trapped in the water. Any fugitive gas from the bullet tank is sent to flare or the combustor to be burned off, and any fugitive gas that may remain in the sealed flowback tanks will be sent through carbon filters. A sand trap will be used for drillouts; its primary purpose is as a junk catcher to screen out plug parts. The sandtrap intake and outputs are limited by the 2" flowlines. Water from the sandtrap will be sent to the sealed flowback tank.</p> <p>The flare stack is rated for 98 MMcf/day, propane is used to fuel the pilot light which insures it is ignited at all times.</p> <p>The average Mesa Verde well is choked to flow at 1-1.2 MMcf/day. We normally complete 1 completion group (4 wells) at a time.</p> <p>Proven production can be demonstrated with the following pads; GM 44-1, GV 18-23, GV 8-14 and GM 313-12.</p> |

| | |
|---------------------|--|
| Planning | <p>Share/consolidate corridors for pipeline ROWs to the maximum extent possible.</p> <p>Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas.</p> <p>Minimize newly planned activities and operations within 300 feet of the ordinary high water mark of any reservoir, lake, wetland, or natural perennial or seasonally flowing stream or river.</p> <p>Locate roads outside of drainages where possible and outside of riparian habitat.</p> <p>Avoid new surface disturbance and placing new facilities in key wildlife habitats in consultation with CDOW.</p> <p>Minimize the number, length, and footprint of oil and gas development roads.</p> <p>Use existing roads where possible.</p> <p>Combine utility infrastructure (gas, electric, and water) planning with roadway planning to avoid separate utility corridors.</p> <p>Combine and share roads to minimize habitat fragmentation.</p> <p>Where possible, consolidate pipeline and existing roadways, or roadways that are planned for development.</p> <p>Place roads to avoid obstructions to migratory routes for wildlife, and to avoid displacement of wildlife from public to private lands.</p> <p>Design roads with visual and auditory buffers or screens (e.g., topographic barriers, vegetation, and distance).</p> <p>Maximize the use of directional drilling to minimize habitat loss/fragmentation.</p> <p>Maximize use of remote telemetry for well monitoring to minimize traffic.</p> <p>Phase and concentrate development activities, so that large areas of undisturbed habitat for wildlife remain.</p> <p>Maintain undeveloped areas within development boundaries sufficient to allow wildlife to persist within development boundaries during all phases of construction, drilling, and production.</p> <p>Minimize the duration of development and avoid repeated or chronic disturbance of developed areas. Complete all anticipated drilling within a phased, concentrated, development area during a single, uninterrupted time period.</p> |
| Interim Reclamation | <p>Utilize staked soil retention blankets for erosion control and reclamation of large surface areas with 1.5:1 or steeper slopes.</p> <p>Avoid use of plastic blanket materials.</p> <p>Restore both form and function of impacted wetlands and riparian areas and mitigate erosion.</p> <p>Remove well pad and road surface materials that are incompatible with post-production land use and re-vegetation requirements.</p> <p>Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife.</p> <p>WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeded and reclamation of disturbed areas.</p> <p>Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings.</p> <p>Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors.</p> <p>Avoid dust suppression activities within 300 feet of the ordinary high water mark of any reservoir, lake, wetland, or natural perennial or seasonally flowing stream or river where possible.</p> |
| Traffic control | <p>A street sweeper will make routine passes to eliminate muddy roads.</p> <p>Most likely, CR 215 to the new Town of Parachute bypass road (to avoid going through town) will be used to get to the pad. The Town of Parachute has agreed to this route. Pilot cars will be used to get the larger rig traffic to location.</p> |
| Noise mitigation | A sound wall will be constructed around the perimeter of the pad and the frac pad. |

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

Inspector Name: LEONARD, MIKE

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. Waste and Debris removed? 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 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**CroplandTop soil replaced Recontoured Perennial forage re-established Non-CroplandTop 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

Inspector Name: LEONARD, MIKE

| | | |
|---------------------------------|--|--|
| Weeds present _____ | Subsidence _____ | |
| Comment: _____ | | |
| Corrective Action: _____ | Date _____ | |
| Overall Final Reclamation _____ | Well Release on Active Location <input type="checkbox"/> | Multi-Well Location <input type="checkbox"/> |

| | | | | | | |
|---------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Storm Water: | | | | | | |
| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
| Other | | | | | | |

| | |
|-------------------------------|------------------------------------|
| S/A/V: ACTION REQUIRED | Corrective Date: 05/26/2016 |
|-------------------------------|------------------------------------|

| | |
|----------|--|
| Comment: | _____ |
| CA: | This Inspection document is for testing of the Field inspection Resolution Form and process. No actual corrective actions were found on this location as documented by this form. |

| | |
|--|--|
| Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT | |
|--|--|

| COGCC Comments | | |
|--|----------|------------|
| Comment | User | Date |
| This Inspection document is for testing of the Field inspection Resolution Form and process. No actual corrective actions were found on this location as documented by this form. | leonardm | 05/16/2016 |

Attached Documents

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

| | | |
|--------------|---------------------|---|
| Document Num | Description | URL |
| 678800057 | INSPECTION APPROVED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3861841 |