

**FORM
INSP**Rev
X/15**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:

07/12/2017

Submitted Date:

07/17/2017

Document Number:

690300007**FIELD INSPECTION FORM**

Loc ID 324350	Inspector Name: Spencer, Stan	On-Site Inspection <input type="checkbox"/>	Status Summary: <input checked="" type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED Findings: 1 Number of Comments 0 Number of Corrective Actions <input type="checkbox"/> Corrective Action Response Requested
2A Doc Num: _____			

Operator Information:OGCC Operator Number: 16700Name of Operator: CHEVRON USA INCAddress: 6301 DEAUVILLE BLVDCity: MIDLAND State: TX Zip: 79706**Contact Information:**

Contact Name	Phone	Email	Comment
Lujan, Carlos		carlos.lujan@state.co.us	
Grubbs, Richard	970-257-6021	rtgrubbs@chevron.com	
Fischer, Alex		alex.fischer@state.co.us	

General Comment:

Site visit with Richards Grubbs, Chevron and Carlos Lujan, COGCC. Location is a "Special Purpose" pit, permitted in 2008 for cuttings storage/dry solids. Pit was constructed for anticipated use during a planned drilling program of up to 3000 wells. Pit was constructed to contain up to 70K cy of uncontaminated drill cuttings from multiple wells. Subsequent price drop resulted in cessation of drilling program. Pit remains open. It appears that less than 500cy of drill cuttings were placed in the bottom of the pit along the SE sidewall. Pit bottom and cuttings are partially re-vegetated with sagebrush, grass and weeds. No apparent contamination. Stormwater BMPs are in place but need minor O&M. Pit appears to be entirely within cut slope and no runoff or other evidence of negative environmental impact. Pit permit has expired. I informed Mr. Grubbs that Chevron has three options including:

- 1) Close the pit in compliance with COGCC regulations
- 2) Permit the pit as a CE&P facility under Form 28
- 3) Apply for a variance from the Commission to the pit open in current condition in anticipation of a future drilling program. Possible justifications for option 3 include that; the pit does not appear to have any current environmental impact, closure costs would be in the \$1m range and the pit would need to be reconstructed in the event that price increases lead to the resumption of the planned drilling program.

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

Document Num	Description	URL
401343692	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4199097
690300008	Pit looking S SW	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4199090
690300010	dry cuttings along pit south sidewall	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4199091
690300011	partially vegetated cuttings	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4199092