

**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:

04/05/2018

Submitted Date:

04/06/2018

Document Number:

682403446**FIELD INSPECTION FORM**

| | | | |
|-------------------|------------------------------------|---|--|
| Loc ID 446104 | Inspector Name: Binschus, Chris | On-Site Inspection <input type="checkbox"/> | Status Summary: <input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED Findings: 12 Number of Comments 6 Number of Corrective Actions <input checked="" type="checkbox"/> Corrective Action Response Requested |
| 2A Doc Num: _____ | | | |

Operator Information:OGCC Operator Number: 10542Name of Operator: CUB CREEK ENERGYAddress: 200 PLAZA DRIVE SUITE 100City: HIGHLANDS State: CO Zip: 80129**Contact Information:**

| Contact Name | Phone | Email | Comment |
|----------------|-------|----------------------------------|-------------------|
| Baily, Scott | | scott.baily@cub-creek.com | ALL INSPECTIONS |
| Gillette, Kira | | kira.gillette@state.co.us | NOAV Specialist |
| BERBERICK, DAN | | dan.berberick@cub-creek.com | ALL INSPECTIONS |
| COREY, ALEX | | alex.corey@cub-creek.com | ALL INSPECTIONS |
| Ferrin, Jeremy | | dnr_cogccenforcement@state.co.us | COGCC Enforcement |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 446099 | WELL | PR | 01/31/2017 | OW | 123-43242 | MARKHAM 10 | RI |
| 446100 | WELL | PR | 01/19/2017 | OW | 123-43243 | MARKHAM 4 | RI |
| 446101 | WELL | PR | 02/06/2017 | OW | 123-43244 | MARKHAM 6 | RI |
| 446102 | WELL | PR | 01/22/2017 | OW | 123-43245 | MARKHAM 7 | RI |
| 446103 | WELL | PR | 01/29/2017 | OW | 123-43246 | MARKHAM 9 | RI |
| 446105 | WELL | PR | 01/15/2016 | OW | 123-43247 | MARKHAM 5 | RI |
| 446106 | WELL | PR | 01/22/2017 | OW | 123-43248 | MARKHAM 8 | RI |
| 446107 | WELL | PR | 01/12/2017 | OW | 123-43249 | MARKHAM 3 | RI |
| 446207 | WELL | PR | 02/08/2017 | OW | 123-43274 | MARKHAM 12 | RI |
| 446208 | WELL | PR | 01/24/2017 | OW | 123-43275 | MARKHAM 11 | RI |
| 447875 | WELL | PR | 01/13/2017 | OW | 123-43649 | MARKHAM 2 | RI |
| 447876 | WELL | PR | 01/11/2017 | OW | 123-43650 | MARKHAM 1 | RI |

General Comment:

This is an Interim Reclamation and Stormwater Inspection. Corrective action dates are not being submitted because this location is being referred to enforcement. This inspection is being entered for notification and documentation only and is not intended to provide the Operator the opportunity to resolve the alleged violations without the imposition of a penalty, pursuant to Rule 522.c.(1). The reason this inspection is being processed in this manner is because there are several Reclamation and Safety rule and regulation violations.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: **Good Housekeeping:**

| | | | |
|--------------------|--|-------|--|
| Type | UNUSED EQUIPMENT | | |
| Comment: | Unused equipment was observed along the southwest and eastern location. Refer to the attached inspection photos for more detail- Photos 3 and 9. | | |
| Corrective Action: | Comply with Rule 603.f. immediately. | Date: | |
| Type | WEEDS | | |
| Comment: | This location is not in compliance with Rule 603.f. Kochia weeds (Kochia scoparia) and weed debris were observed along portions of the location and was not managed and controlled. Kochia established on the fill slopes and topsoil stockpile. | | |
| Corrective Action: | Comply with Rule 603.f. immediately to control and manage weedy, annual vegetation to prevent weed waste and prevent spread of dispersing seeds onto adjacent lands. | Date: | |

Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Venting:**

| | | | |
|--------------------|--|-------|--|
| Yes/No | | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Flaring:

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

| Inspected Facilities | | | | |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>446099</u> | Type: <u>WELL</u> | API Number: <u>123-43242</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>446100</u> | Type: <u>WELL</u> | API Number: <u>123-43243</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>446101</u> | Type: <u>WELL</u> | API Number: <u>123-43244</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>446102</u> | Type: <u>WELL</u> | API Number: <u>123-43245</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>446103</u> | Type: <u>WELL</u> | API Number: <u>123-43246</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>446105</u> | Type: <u>WELL</u> | API Number: <u>123-43247</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>446106</u> | Type: <u>WELL</u> | API Number: <u>123-43248</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>446107</u> | Type: <u>WELL</u> | API Number: <u>123-43249</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>446207</u> | Type: <u>WELL</u> | API Number: <u>123-43274</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>446208</u> | Type: <u>WELL</u> | API Number: <u>123-43275</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>447875</u> | Type: <u>WELL</u> | API Number: <u>123-43649</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>447876</u> | Type: <u>WELL</u> | API Number: <u>123-43650</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |

Reclamation - Storm Water - Pit**Interim Reclamation:**

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

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND
SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ Fail _____

Comment _____

This location is not in compliance with Rule 1002.c. Cheatgrass and Kochia establishment were observed throughout the entire topsoil stockpile, violating Rule 1002.c. to prevent weed establishment on the topsoil stockpile.

Corrective Action _____

Comply with Rule 1002.c. immediately.

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Fail _____

Comment _____

This location is not in compliance with Rule 1002.e. for the following reasons: 1) Based upon Google Earth aerial imagery and a physical walk through on the day of this inspection, the Operator failed to comply with the approved Form 2A (Document #400990702). The total disturbance area is approximately 6.7 acres, exceeding the permitted surface disturbance of 5.0 acres, violating Rule 1002.e. to reasonably minimize land disturbances, and 2) Gully erosion was observed along the north fill slope which caused sediment discharge off location and other site degradation, violating Rule 1002.e. to maintain the location to minimize erosion, alteration of natural features, removal of surface materials, and degradation due to contamination.

Corrective Action _____

Comply with Rule 1002.e. immediately.

Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

Date _____

1003b. Area no longer in use? Fail 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? Fail

RESTORATION AND REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation _____

1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment

This location is not in compliance with Rule 1003.b. Operator has failed to perform interim reclamation activities on areas not needed for production operations within six months on non-cropland, violating Rule 1003.b. Interim reclamation activities should have been completed by July 15, 2017. This date is based off when the last wells were anticipated for flowback, plus one additional month (Anticipated Date of Production= December 15, 2016 + one month= January 15, 2017). All approved wells (12 wells) are on production; therefore, no ongoing operations were required for this location.

Corrective Action

Comply with Rule 1003.b. immediately.

Date _____

Overall Interim Reclamation Fail**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 _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

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

| | | | | | | |
|--------------------|--|--|--|--|--|-------------|
| Comment: | <p style="color: blue;">This location is not in compliance with Rule 1002.f.(2). Operator failed to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Gully erosion was observed along the north fill slope which caused sediment discharge off location which was able to be observed with aerial imagery. Operator failed to maintain stormwater BMPs (e.g., silt fence). Silt fence BMP was in disrepair throughout the entire location.</p> | | | | | Date: _____ |
| Corrective Action: | <p style="color: red;">Comply with Rule 1002.f.(2) immediately.</p> | | | | | |

Pits: ☐ NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 401600132 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4428097 |
| 682403448 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4428096 |