FORM INSP Rev X/15

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
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FIELD INSPECTION FORM

Inspection Date: 04/04/2018
Submitted Date: 04/11/2018
Document Number: 689100130

Loc ID	Inspector Name:	On-Site Inspection
433573	LUJAN, CARLOS	2A Doc Num:

Operator Information:

OGCC Operator Number: 100185
Name of Operator: ENCANA OIL & GAS (USA) INC
Address: 370 17TH ST STE 1700
City: DENVER State: CO Zip: 80202-

Status Summary:

- ☐ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED

Findings:

- 8 Number of Comments
- 1 Number of Corrective Actions
- ☒ Corrective Action Response Requested

Contact Information:

Contact Name	Phone	Email	Comment
Spencer, Stan		stan.spencer@state.co.us	EPS, NW Region
Lujan, Carlos		carlos.lujan@state.co.us	EPS, NW Region
Middleton, Brett		bmiddleton@caerusoilandgas.com	Sr. Environmental Specialist
Fischer, Alex		alex.fischer@state.co.us	Environmental Supervisor, NW
Janicek, Jake		JJanicek@caerusoilandgas.com	EHS Professional

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
433573	LOCATION	AC	07/15/2013		-	CUTTINGS AREA UWF H04 596	EI

General Comment:

Environmental Inspection conducted in response to the Post Construction and Storm water inspection doc #680102819, dated 04/04/2018. That inspection raised concerns regarding “sediment & materials migration noted from top of pad (flat staging/dump point) to the southwest (lower) corner of the pad”. On site with Jake Janicek, from Caerus. Breezy and cool, temperature around 50 oF.
This pad is unique in the sense that the surface is not horizontal and flat but was constructed with a fairly steep slope to the south (approximately 20 degrees). Cuttings are and will be discharged from the upper working area and will be spread to cover the pad. It appears that more than the Di Minimis water was left in the cuttings/drilling mud mix, since fluid and liquid was observed to have drained down toward the lower (southwest) corner of the pad (see photos). The cuttings and drilling mud were discharged on the same location but were not mixed. At the time of the inspection, the cuttings had not been sampled. No HC odor was detected. The surface of the pad has been ripped that may increase infiltration of the fluids into the fractured bedrock. Rock underneath the soil is potentially weathered and fractured (see photos). The result is that fluids discharged on the pad will drain down the slope and infiltrate. COGCC is concerned that fluids associated to impacted soil may infiltrate into the subsurface and re-surface down gradient of the pad and beneath the pad potentially causing environmental issues.

Inspected Facilities

Facility ID:	433573	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	EI

Inspector Name: LUJAN, CARLOS

Environmental

Spills/Releases:

Type of Spill: DRILLING CUTTINGS Estimated Spill Volume:

Comment: Concern regarding “sediment & materials migration noted from top of pad (flat staging/dump point) to the southwest (lower) corner of the pad”.

Corrective Action: • Within 2-weeks of submission of this Inspection, provide the date the Cuttings Management Area was constructed and date of first use.• Within 2-weeks of submission of this Inspection, provide the anticipated duration that the Cuttings Management Area will be accepting cuttings.• Within 2-weeks of submission of the Inspection, provide a Location specific Waste Management Plan (WMP) via a Form 4 Sundry to the COGCC Environmental Staff (Carlos Lujan; email carlos.lujan@state.co.us and Alex Fischer; email alex.fischer@state.co.us) for transporting cuttings from the North Parachute Ranch UWF H04 596 well pad to this location. This WMP must describe how the operator intends to comply with Rule 907; in particular, describe the operator’s plans for handling the cuttings, bentonite, and frac sand (if applicable) that both meet and exceed the requirements of Table 910-1. Include the frequency of sampling for 910-1 and the analytical of samples collected to date. • Within 48 hours of submission of this Inspection, comply with COA 38 - The moisture content of any drill cuttings placed in a cuttings trench, area, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. This was a COA put on the Oil and Gas Location Assessment Permit (2A) (see documents numbers 400431667 and 2106682).• Within one week of submission of the Inspection, provide a solution to prevent infiltration into the subsurface of potentially impacted E&P Waste fluids, particularly at the low end corner of the pad, where most of the liquid will accumulate and where the pad has been ripped.• Within 2-weeks of submission of the Inspection, provide a Pit Permit for the cutting management area depression.

Date: 04/30/2018

Reportable: GPS: Lat Long

Proximity to Surface Water: Depth to Ground Water:

Water Well Complaint:

DWR Receipt Num: Owner Name: GPS : Lat Long

Field Parameters:

Sample Location: Comment:

COGCC Comments

Comment	User	Date
Follow-up inspection to observe 1) cutting pad improvement to minimize infiltration of fluids and 2) Management of cuttings on site.	lujanc	04/11/2018

Attached Documents

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

Document Num	Description	URL
401603812	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4430075
689100131	Photo Report Cutting Pad	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4430073