

**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:

09/12/2018

Submitted Date:

10/08/2018

Document Number:

680200176**FIELD INSPECTION FORM**

| | | | |
|-------------------|------------------------------------|---|--|
| Loc ID 446582 | Inspector Name: KELLERBY, SHAUN | 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: 11 Number of Comments 5 Number of Corrective Actions <input checked="" type="checkbox"/> Corrective Action Response Requested |
| 2A Doc Num: _____ | | | |

| | | | |
|---|------------------|-------------------|--|
| Operator Information: | | | |
| OGCC Operator Number: <u>10447</u> | | | |
| Name of Operator: <u>URSA OPERATING COMPANY LLC</u> | | | |
| Address: <u>1600 BROADWAY ST STE 2600</u> | | | |
| City: <u>DENVER</u> | State: <u>CO</u> | Zip: <u>80202</u> | |

Contact Information:

| Contact Name | Phone | Email | Comment |
|-----------------|--------------|--------------------------------|-----------------|
| Longworth, Mike | | mike.longworth@state.co.us | |
| Ferrin, Jeremy | | jeremy.ferrin@state.co.us | |
| Knudson, Dwayne | 970-456-3335 | dknudson@ursaresources.co m | All Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|--------------------|-------------|
| 446573 | WELL | WO | 03/30/2017 | GW | 045-23262 | BMC D 32C-18-07-95 | PR |
| 446574 | WELL | PR | 04/01/2018 | GW | 045-23263 | BMC D 44D-07-07-95 | PR |
| 446575 | WELL | PR | 06/01/2018 | GW | 045-23264 | BMC D 41C-18-07-95 | PR |
| 446576 | WELL | PR | 05/01/2018 | GW | 045-23265 | BMC D 41A-18-07-95 | PR |
| 446577 | WELL | PR | 03/01/2018 | GW | 045-23266 | BMC D 34B-07-07-95 | PR |
| 446578 | WELL | PR | 05/01/2018 | GW | 045-23267 | BMC D 31A-18-07-95 | PR |
| 446579 | WELL | PR | 03/01/2018 | GW | 045-23268 | BMC D 34C-07-07-95 | PR |
| 446580 | WELL | PR | 07/01/2018 | GW | 045-23269 | BMC D 32A-18-07-95 | PR |
| 446581 | WELL | WO | 03/23/2017 | GW | 045-23270 | BMC D 32B-18-07-95 | PR |
| 446583 | WELL | PR | 04/01/2018 | GW | 045-23271 | BMC D 31B-18-07-95 | PR |
| 446584 | WELL | WO | 03/29/2017 | GW | 045-23272 | BMC D 32D-18-07-95 | PR |
| 446585 | WELL | PR | 04/01/2018 | GW | 045-23273 | BMC D 34D-07-07-95 | PR |
| 446586 | WELL | WO | 03/30/2017 | GW | 045-23274 | BMC D 32E-18-07-95 | PR |
| 446587 | WELL | PR | 03/01/2018 | GW | 045-23275 | BMC D 34A-07-07-95 | PR |
| 446588 | WELL | PR | 06/01/2018 | GW | 045-23276 | BMC D 31C-18-07-95 | PR |
| 446589 | WELL | PR | 07/01/2018 | GW | 045-23277 | BMC D 31D-18-07-95 | PR |
| 446765 | WELL | PR | 05/01/2018 | GW | 045-23278 | BMC D 41B-18-07-95 | PR |
| 447694 | WELL | PR | 06/01/2018 | GW | 045-23307 | BMC D 11C-18-07-95 | PR |
| 447696 | WELL | WO | 03/24/2017 | GW | 045-23308 | BMC D 12C-18-07-95 | PR |
| 447697 | WELL | PR | 07/01/2018 | GW | 045-23309 | BMC D 11D-18-07-95 | PR |
| 447699 | WELL | WO | 04/23/2017 | GW | 045-23311 | BMC D 12B-18-07-95 | PR |

| | | | | | | | |
|--------|------|----|------------|----|-----------|--------------------|----|
| 447700 | WELL | PR | 07/01/2018 | GW | 045-23312 | BMC D 12A-18-07-95 | PR |
| 447701 | WELL | PR | 06/01/2018 | GW | 045-23313 | BMC D 21C-18-07-95 | PR |
| 447702 | WELL | WO | 03/22/2017 | GW | 045-23314 | BMC D 22B-18-07-95 | PR |
| 447703 | WELL | PR | 07/01/2018 | GW | 045-23315 | BMC D 22A-18-07-95 | PR |
| 447704 | WELL | PR | 04/01/2018 | GW | 045-23316 | BMC D 21B-18-07-95 | PR |
| 447705 | WELL | PR | 07/01/2018 | GW | 045-23317 | BMC D 21D-18-07-95 | PR |
| 447714 | WELL | WO | 03/26/2017 | GW | 045-23326 | BMC D 22C-18-07-95 | PR |

General Comment:

Inspection was conducted in response to odor observed during the evening of 9/12. At the time of inspection, Complaint Doc # 200446119, Doc # 200446119, Doc # 200446117, Doc # 200446208, Doc # 200446207 remain open.

Due to safety issues associated with lighting, and ongoing operations on 9/12, COGCC staff returned to complete this inspection on 9/17.

Location # 446582 is in an Urban Mitigation are, Buffer Zone, and sensitive wildlife area. Approved Form 2A Doc # 400928415 lists Production tanks as 2 condensate tanks, and 6 pw tanks.

No permanent production tanks or production berms were constructed or in use at the time of this inspection.

LocationOverall Good: ☒

| | | | |
|----------------------|--|-------|--|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | All Temporary tanks are labeled as produced water tanks. No tanks labeled as condensate. | | |
| Corrective Action: | | Date: | |

| | |
|---------------------------|-------------|
| Emergency Contact Number: | |
| Comment: | |
| Corrective Action: | Date: _____ |

| | | | |
|---------------------------|---|-------|------------|
| Good Housekeeping: | | | |
| Type | WEEDS | | |
| Comment: | Weeds are growing on the outside of the sound walls on location in all directions of the pad. | | |
| Corrective Action: | Comply with Rule 603.f . | Date: | 11/09/2018 |

Overall Good: ☐

| | | | |
|----------------|------|--------|--|
| Spills: | | | |
| Type | Area | Volume | |

In Containment: No

Comment: _____

☐ Multiple Spills and Releases?

| | | | |
|-----------------------------------|------|-------|-----------------|
| Equipment: | | | corrective date |
| Type: Horizontal Heated Separator | # | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # 14 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| | | | | | |
|----------|---|----------|-------|---------|--------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| OTHER | | | OTHER | | , |

| | | |
|--------------------|--|------------------|
| Comment: | Operator personnel advise that all wells are producing at the time of inspection. No permanent production tanks battery has been constructed. Temporary flow back tanks are used as production tanks. Facility is within the external boundary of a 317B area therefore corrective Action date has been modified from CA matrix. Corrective action date is 5 days. Operator is to increase inspection of tanks and equipment while temporary tanks are being used for ongoing production operations. | |
| Corrective Action: | Operator can immediately stop the use of temporarily tanks at this permanent production facility or modify apply additional BMPs reduce odors from this facility. Flow back tanks are less than 3ft apart. Flow back tanks do not meet requirements of 605.a. (1) | Date: 09/30/2018 |

Paint

| | |
|------------------|--|
| Condition | |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|---|---------------------|---------------------|------------------|
| | | | | |
| Comment: | No Berm's around temporary tanks in use as production tanks. No liner installed under and around the flow back tanks on location. | | | |
| Corrective Action: | Operator can immediately stop the use of temporarily tanks at this permanent production facility or modify apply additional BMPs reduce odors from this facility. | | | Date: 10/10/2018 |

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|--|----------|------|---------|--------|
| OTHER | | | | | |
| Comment: | Facility is within the external boundary of a 317B area therefore corrective action date has been modified from CA matrix. Corrective action date is 5 days. Operator is to increase inspection of tanks and equipment while temporary tanks are being used for ongoing production operations. Operator can immediately stop the use of temporarily tanks at this permanent production facility or modify apply additional BMPs reduce odors from this facility. Flow back tanks are less than 3ft apart. Flow back tanks do not meet requirements of 605.a. (1) | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|--|
| Condition | |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|----------|---------------------|---------------------|-------------|
| | | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

Venting:

| | | | |
|--------|-----|--|--|
| Yes/No | YES | | |
|--------|-----|--|--|

| | | | |
|--------------------|--|-------|------------|
| Comment: | FLIR survey was conducted on Temporary flow back tanks used as production tanks at the time of inspection. FLIR camera indicated the presence of VOC's venting from the flow back tanks. All tanks were labeled as produced water, on site personal advise that if there is condensate, it is placed into the flow back tanks for storage. Operators use of temporary tanks is not consistent with COGCC Rules 805.a that requires oil and gas facilities operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare | | |
| Corrective Action: | Operator can immediately stop the use of temporarily tanks at this permanent production facility or modify apply additional BMPs reduce odors from this facility. | Date: | 10/10/2018 |

Flaring:

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

| Inspected Facilities | | | | |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>446573</u> | Type: <u>WELL</u> | API Number: <u>045-23262</u> | Status: <u>WO</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446574</u> | Type: <u>WELL</u> | API Number: <u>045-23263</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446575</u> | Type: <u>WELL</u> | API Number: <u>045-23264</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446576</u> | Type: <u>WELL</u> | API Number: <u>045-23265</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446577</u> | Type: <u>WELL</u> | API Number: <u>045-23266</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446578</u> | Type: <u>WELL</u> | API Number: <u>045-23267</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446579</u> | Type: <u>WELL</u> | API Number: <u>045-23268</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446580</u> | Type: <u>WELL</u> | API Number: <u>045-23269</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446581</u> | Type: <u>WELL</u> | API Number: <u>045-23270</u> | Status: <u>WO</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446583</u> | Type: <u>WELL</u> | API Number: <u>045-23271</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446584</u> | Type: <u>WELL</u> | API Number: <u>045-23272</u> | Status: <u>WO</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446585</u> | Type: <u>WELL</u> | API Number: <u>045-23273</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446586</u> | Type: <u>WELL</u> | API Number: <u>045-23274</u> | Status: <u>WO</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446587</u> | Type: <u>WELL</u> | API Number: <u>045-23275</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446588</u> | Type: <u>WELL</u> | API Number: <u>045-23276</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446589</u> | Type: <u>WELL</u> | API Number: <u>045-23277</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>446765</u> | Type: <u>WELL</u> | API Number: <u>045-23278</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>447694</u> | Type: <u>WELL</u> | API Number: <u>045-23307</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>447696</u> | Type: <u>WELL</u> | API Number: <u>045-23308</u> | Status: <u>WO</u> | Insp. Status: <u>PR</u> |

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 447697 | Type: | WELL | API Number: | 045-23309 | Status: | PR | Insp. Status: | PR |
| Facility ID: | 447699 | Type: | WELL | API Number: | 045-23311 | Status: | WO | Insp. Status: | PR |
| Facility ID: | 447700 | Type: | WELL | API Number: | 045-23312 | Status: | PR | Insp. Status: | PR |
| Facility ID: | 447701 | Type: | WELL | API Number: | 045-23313 | Status: | PR | Insp. Status: | PR |
| Facility ID: | 447702 | Type: | WELL | API Number: | 045-23314 | Status: | WO | Insp. Status: | PR |
| Facility ID: | 447703 | Type: | WELL | API Number: | 045-23315 | Status: | PR | Insp. Status: | PR |
| Facility ID: | 447704 | Type: | WELL | API Number: | 045-23316 | Status: | PR | Insp. Status: | PR |
| Facility ID: | 447705 | Type: | WELL | API Number: | 045-23317 | Status: | PR | Insp. Status: | PR |
| Facility ID: | 447714 | Type: | WELL | API Number: | 045-23326 | Status: | WO | Insp. Status: | PR |

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

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|--|
| | | | | Material Handling And Spill Prevention | Fail | Fuel can stored outside of sound walls |

Comment: Perimeter of location has landscaping and irrigation installed. Berm's trenches and retention basin are in use. No indication of erosion or sediment movement off of location at the time of inspection.

Corrective Action: Remove, or label and install BMP around stored fuel can.

Date: 10/10/2018

Pits: ☒ NO SURFACE INDICATION OF PIT

Optical Gas Imaging SurveySurvey Type: ComplaintCurrent Operations: ☒ Production ☐ Workover ☐ Flowback ☐ Referred to APCD

GPS(entrance of location): Lat: _____ Long: _____

Wind: None Speed: _____ (mph) Direction From: _____ Weather: Clear Temperature: 80 (F)

Assisting Staff: _____ Camera #: _____

☐ Visible Smoke ☐ Referred to CDPHE

Times Surveyed

Equipment Surveyed

| Time Survey Start | AM/PM | Time Survey End | AM/PM | Equipment |
|-------------------|-------|-----------------|-------|------------------|
| 8 | PM | 10 | PM | Flowback tank(s) |

Comment: Flir survey was conducted on Temporary flow back tanks used as production tanks at the time of inspection. Flir camera indicated the presence of VOC's venting from the flow back tanks. All tanks were labeled as produced water, on site personal advise that if there is condensate, it is placed into the flow back tanks for storage.

Corrective
Action:

Date:

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

| Document Num | Description | URL |
|--------------|-------------|---|
| 680200177 | Photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4602002 |