



Ben Mitchell
Landman-- San Juan North
505-324-5179 Direct
505-599-3400 Main Office
bemitchell@hilcorp.com

Hilcorp Energy Company
GP of Hilcorp San Juan, L.P.
382 Road 3100
Aztec, NM 87410

Marie Shields Trust
ATTN: Aleta Klahre
505 CR 228
Durango, CO 81301

RE: Request to Remove Equipment from Location
Shields Marie 2 6 2 Gas Well (API# 0506707929)

To whom it may concern,

I hope this message finds you well.

I am writing in regards to a certain parcel of property located within La Plata County, CO which public record details you as the holder of title. Hilcorp, as successor in interest to XTO Energy, is the operator of record for an existing natural gas well site within the boundary of your lands.



At this time Hilcorp has been issued a Field Inspection Form requesting corrective action(s), I have attached said form hereto, from the State of Colorado Oil and Gas Conservation Commission ("COGCC"). While I personally have discussed with Ms. Catherine Roy, from the COGCC, that neither the unused equipment nor the land which it is on is that of Hilcorp, she refuses to acknowledge this and has repeatedly submitted corrective actions for this type of situation. At this time Hilcorp is requesting your assistance and to please remove the unused equipment from the well location.

As noted above you will find the Filed Inspection Form attached hereto. **Should you want to discuss with Ms. Catherine Roy her phone number is (970) 946-9107.**

Please contact me at your earliest convenience should you need to discuss.

Sincerely,
Hilcorp San Juan, L.P.
By: Hilcorp Energy Company
Its General Partner

Ben Mitchell
Landman

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: <u>12/18/2019</u> Submitted Date: <u>12/19/2019</u> Document Number: <u>693901235</u>																
FIELD INSPECTION FORM																			
Loc ID <u>326370</u> Inspector Name: <u>ROY, CATHERINE</u> On-Site Inspection <input type="checkbox"/> 2A Doc Num: _____		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																	
Operator Information: OGCC Operator Number: <u>10133</u> Name of Operator: <u>HILCORP ENERGY COMPANY</u> Address: <u>P O BOX 61229</u> City: <u>HOUSTON</u> State: <u>TX</u> Zip: <u>77208</u>		Findings: 7 Number of Comments 2 Number of Corrective Actions <input checked="" type="checkbox"/> Corrective Action Response Requested																	
Contact Information:		ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Contact Name</th> <th>Phone</th> <th>Email</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>Ray, Mandy</td> <td>(505) 599-4083</td> <td>mray@hilcorp.com</td> <td>All Inspections</td> </tr> <tr> <td>Shorty, Priscilla</td> <td></td> <td>pshorty@hilcorp.com</td> <td>All SW Inspections</td> </tr> </tbody> </table>				Contact Name	Phone	Email	Comment	Ray, Mandy	(505) 599-4083	mray@hilcorp.com	All Inspections	Shorty, Priscilla		pshorty@hilcorp.com	All SW Inspections				
Contact Name	Phone	Email	Comment																
Ray, Mandy	(505) 599-4083	mray@hilcorp.com	All Inspections																
Shorty, Priscilla		pshorty@hilcorp.com	All SW Inspections																
Inspected Facilities:																			
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Facility ID</th> <th>Type</th> <th>Status</th> <th>Status Date</th> <th>Well Class</th> <th>API Num</th> <th>Facility Name</th> <th>Insp Status</th> </tr> </thead> <tbody> <tr> <td>216323</td> <td>WELL</td> <td>PR</td> <td>05/20/1993</td> <td>GW</td> <td>067-07929</td> <td>SHIELDS 2-6</td> <td>RI</td> </tr> </tbody> </table>				Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	216323	WELL	PR	05/20/1993	GW	067-07929	SHIELDS 2-6	RI
Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status												
216323	WELL	PR	05/20/1993	GW	067-07929	SHIELDS 2-6	RI												
General Comment: On 12/18/2019, Catherine Roy conducted a reclamation and stormwater inspection. During this inspection the following compliance issues were observed: -Junk, debris, unused equipment stored within the project area needs to be removed and properly stored/disposed of by 1/31/2020. See below, and attached photos for additional detail.																			

Inspector Name: ROY, CATHERINE

Inspected Facilities

Facility ID:	216323	Type:	WELL	API Number:	067-07929	Status:	PR	Insp. Status:	RI
--------------	--------	-------	------	-------------	-----------	---------	----	---------------	----

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

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

Land Use: _____

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? **Fail**Comment **Waste and debris observed within the eastern project area.**Corrective Action **Remove and properly dispose of waste nad debris.**Date **01/31/2020**Unused or unneeded equipment onsite? **Fail**Comment **Unused equipment observed within the project area.**Corrective Action **Remove and properly store unused equipment.**Date **01/31/2020**

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

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

Date _____

Inspector Name: ROY, CATHERINE

1003b. Area no longer in use? _____ Production areas stabilized ? Pass

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

Cropland

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 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

Location is partially snow covered at the time of this inspection. As there is room for storage for unused equipment/debris within the project area, operator needs to assess whether interim reclamation is sufficiently conducted. If additional area is available then it needs to be interim reclaimed. Revegetation appears to be progressing within the outer reclamation areas.

Corrective Action _____ Date _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

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: _____

Inspector Name: ROY, CATHERINE

Corrective Action: <input style="width: 600px;" type="text"/>					Date: <input style="width: 100px;" type="text"/>	
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
<div style="border: 1px solid black; padding: 5px; margin: 5px 0;">Comment: Due to snow cover, a detailed stormwater assessment was not conducted. Stormwater erosion was not observed in areas where snow is not present.</div> <div style="border: 1px solid black; padding: 5px; margin: 5px 0;">Corrective Action: <input style="width: 550px;" type="text"/></div> <div style="float: right;">Date: <input style="width: 100px;" type="text"/></div>						
Pits: <input checked="" type="checkbox"/> NO SURFACE INDICATION OF PIT						

Attached Documents

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

Document Num	Description	URL
693901237	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5017933

Inspection Photos
Operator: Hilcorp Energy
Location/API #: 067-07929
Date: 12-18-2019

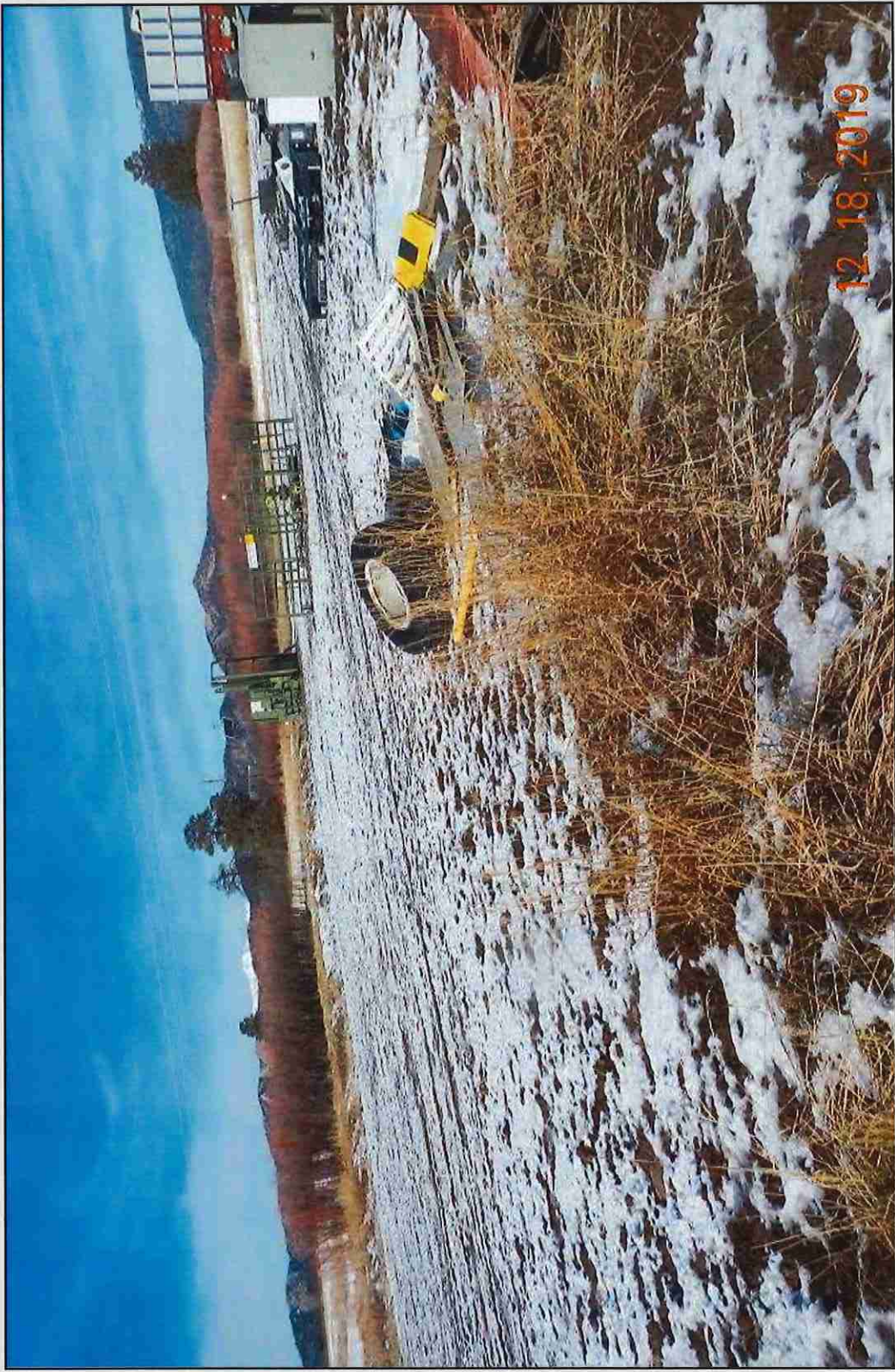


Photo 1. View of the project area from the southeastern corner facing center.



Photo 2. View of the eastern fill slope from the southeastern corner facing northward. Location is partially snow covered at this time. Revegetation is in a dormant vegetative condition, and largely comprised of smooth brome, western wheatgrass, and sand dropseed. Junk, debris, and unused equipment stored within the eastern project area.



Photo 3. View of unused equipment, junk, and debris in the eastern project area, needs to be removed.

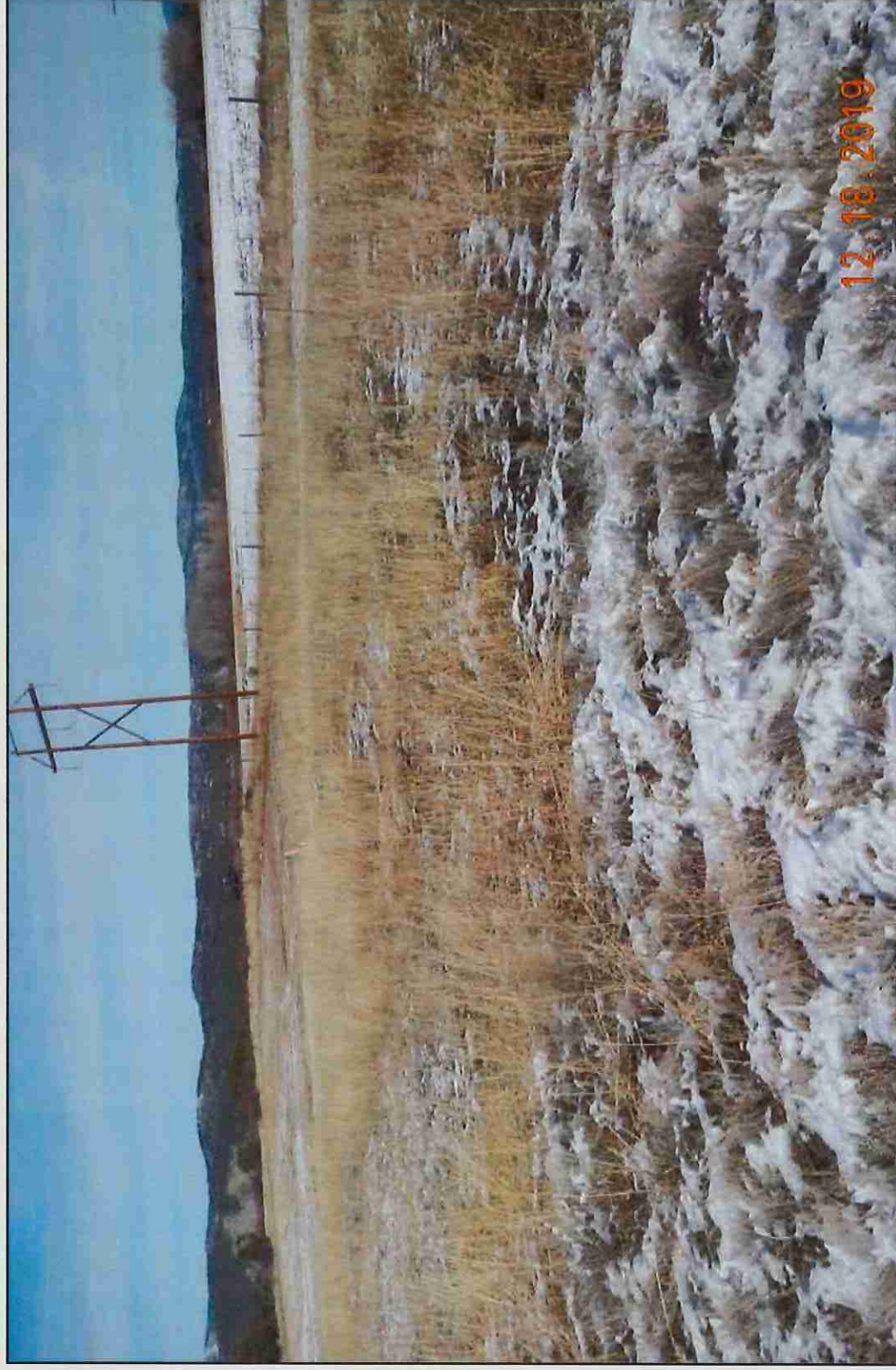


Photo 4. View of reference area comprised grass field, largely comprised of smooth brome in dormant vegetative condition.