

**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:

02/11/2020

Submitted Date:

02/19/2020

Document Number:

688306933

FIELD INSPECTION FORM

Loc ID 311874 Inspector Name: Sherman, Susan On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

OGCC Operator Number: 10725
Name of Operator: VALKYRIE OPERATING LLC
Address: 1600 STOUT STREET SUITE 1000
City: DENVER State: CO Zip: 80202

Findings:

- 7 Number of Comments
- 1 Number of Corrective Actions
- Corrective Action Response Requested

ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE

Contact Information:

| Contact Name | Phone | Email | Comment |
|-------------------|----------------|-------------------------------------|------------------------|
| Whittington, John | 720-580-8080 | jwhittington@valkyrie-Resources.com | Principal Agent |
| Abrams, Deborah | | deborah.abrams@state.co.us | COGCC Engineering Tech |
| Dunham, Tyson | (307) 388-2290 | tdunham@sagapetroleum.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 237460 | WELL | PR | 10/01/2019 | GW | 121-09962 | JONES, J W 3 | PR |

General Comment:

Reinspection, sign and Form 7s were updated.

Per last inspection (688304322): "SI since 4/2017, MIT required 4/2019.", and "SI since 4/2017, MIT required if not produced by 3/31/2018. Contact dnr_cogccengineering@state.co.us with resolution plan. Date: 04/08/2019."

Warning Letter 402270679 issued for potential violations of 309, 319, 326 with a corrective action date of 3/31/2020. Form 7s are now current, well was produced 8/2019, 10-12/2019 however well was SI from 4/2017 to 7/2019.

Where was gas that was produced from 10-12/2019 flared?

Location

Overall Good:

Signs/Marker:

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

Emergency Contact Number:

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

Overall Good:

Spills:

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

In Containment: No

Comment:

Multiple Spills and Releases?

Equipment:

| | | | | | corrective date |
|--------------------------|---|--|--|-------|-----------------|
| Type: Vertical Separator | # 1 | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | Date: | |
| Type: Gas Meter Run | # 1 | | | | |
| Comment: | chart is across the road (see attached photo) | | | | |
| Corrective Action: | | | | Date: | |
| Type: Plunger Lift | # 1 | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | Date: | |
| Type: Deadman # & Marked | # 4 | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|---------------------|---------|--------|
| | | | CENTRALIZED BATTERY | | , |
| Comment: | | | | | |
| 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 | | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

Flaring:

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

Location Construction

Location ID: 237460 CDP: _____

Comment:

Corrective Action: Date: _____

Form 2A COAs:

Comment: No COAs.

Corrective Action: Date: _____

Wildlife BMPs:

Comment:

Corrective Action: Date: _____

Comment:

Corrective Action: Date: _____

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Inspected Facilities

Facility ID: 237460 Type: WELL API Number: 121-09962 Status: PR Insp. Status: PR

Producing Well

Comment: PR. 8/2019 and 10-12/2019. Flared.

Corrective Action:

Date:

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: SI from 4/2017 to 7/2019. Warning letter issued for MIT.

Corrective Action:

Contact COGCC Engineering within 10 days.

Date: 03/05/2020

Attached Documents

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

| Document Num | Description | URL |
|--------------|---------------------------------|---|
| 688307027 | Valkyrie Operating Jones, J W 3 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5072005 |