

**FORM
INSP**Rev
X/20**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:

10/18/2021

Submitted Date:

10/20/2021

Document Number:

696203249**FIELD INSPECTION FORM**Loc ID 335542 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10447Name of Operator: URSA OPERATING COMPANY LLCAddress: 950 17TH STREET, SUITE 1900City: DENVER State: CO Zip: 80202**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**9 Number of Comments7 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 |
|----------------|-------|------------------------------------|---------|
| Arthur, Denise | | denise.arthur@state.co.us | |
| , TEP | | COGCCInspectionReports@terraep.com | |
| Ramsey, Scott | | scott.ramsey@state.co.us | |
| , | | dnr_cogccenforcement@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|--------------------|-------------|
| 288409 | WELL | XX | 04/27/2018 | LO | 045-13225 | Valley Farms E7 | RI |
| 335542 | LOCATION | AC | | | - | VALLEY FARMS E PAD | RI |

General Comment:

On 10/18/2021, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at TEP Rocky Mountain's Valley Farms E Pad Location in Garfield County, CO.

Location/Well file show URSA as Operator on record; Form 10 402554498 transferring ownership (effective 12/22/2020) to TEP currently in process

The following compliance issues were observed in this inspection:

606: Weeds

606: Good Housekeeping

406.e: Conductors

1002.f: Stormwater

1003: Interim Reclamation

1003.a: Anchors

Refer to the "Location", "stormwater" and "reclamation" sections of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

A follow up inspection on this site will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

LocationOverall Good: ☐

Emergency Contact Number:

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

| | | | |
|--------------------|---|-------|------------|
| Type | WEEDS | | |
| Comment: | Undesirable plant species observed established on the interim areas of the Location. Weeds have died, will soon break off and is considered debris. Additional weed management required in the 2022 growing season to prevent establishment and spread of undesirable plant species on the Location in accordance with Rule 606.c | | |
| Corrective Action: | Comply with rule 606 and remove undesriable plant species / weed debris. | Date: | 11/06/2021 |
| Type | STORAGE OF SUPL | | |
| Comment: | Bags of unused "insulation snakes" observed stored next to the tanks and separator equipment | | |
| Corrective Action: | Comply with Rule 606 | Date: | 10/27/2021 |

Overall Good: ☐**Spills:**

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

In Containment: No

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

| | | | |
|--------------------|---|-------|-----------------|
| Type: Other | # 1 | | corrective date |
| Comment: | Control measures to prevent wildlife access to the Valley Farms #E7 cellar and conductor are missing or insufficient. | | |
| Corrective Action: | Comply with 406.e.(1) | Date: | 10/22/2021 |
| Type: Other | # 1 | | |
| Comment: | Conductor for the Valley Farms E7 (045-13225) remains open at the cellar and conductor; metal conductor plate missing in accordance with Rule 406.e.(3). Permit expired 7/24/2020. Conductor/cellar requires plugging in accodance with Rule 406.e.(4) | | |
| Corrective Action: | Comply with Rule 406.e.(4) | Date: | 12/20/2021 |

Venting:

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

Flaring:

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

| Inspected Facilities | | | | | | | | | |
|----------------------|---------------|-------|-----------------|-------------|------------------|---------|-----------|---------------|-----------|
| Facility ID: | <u>288409</u> | Type: | <u>WELL</u> | API Number: | <u>045-13225</u> | Status: | <u>XX</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |
| Facility ID: | <u>335542</u> | Type: | <u>LOCATION</u> | API Number: | <u>-</u> | Status: | <u>AC</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |

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 SEGREGATION _____

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? _____

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? Fail

Comment _____

Anchors observed on the location missing markers, or markers not maintained in proper condition

Corrective Action _____

Comply with Rule 1003.a

Date **11/20/2021**

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

RESTORATION AND REVEGETATIONCropland

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

It was observed in this inspection that interim areas of the Location are not progressing towards COGCC 1003 Standards; vegetation predominantly undesirable plant species (see good housekeeping); little to no desirable vegetative germination and establishment observed.

Corrective Action

Comply with 1003 Rules.

Date 12/15/2021

Overall Interim Reclamation Fail

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: _____

Corrective Action: _____

Date _____

| | | | | | | |
|---|--|--|-----------------------|---------------|--------------------------|------------------|
| 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: See "COGCC Comments" for comments regarding stormwater | | | | | | Date: 03/09/2021 |
| Corrective Action: Comply with Rule 1002.f | | | | | | |
| Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT | | | | | | |

| COGCC Comments | | |
|--|------------|------------|
| Comment | User | Date |
| STORMWATER COMMENTS Inspection Nos. 700701946 dated 11/30/2020 and 700702256 dated 2/2/2021 observed that control measures to protect/stabilize the slopes of the Location are missing or insufficient. Inspection required Operator to comply with Rule 1002.f by 3/9/2021 Operator submitted FIRR 402592046 stating corrective action was completed; "BMPs have been maintained". It was observed that control measures to protect/stabilize the slopes of the Location, and to allow for proper sediment laden-free stormwater discharge are missing or insufficient; outlet on the northwest end of the Location has not been constructed or maintained in accordance with good engineering practices; use of geotextile under rip-rap not observed; stormwater runoff has resulted in degradation to the BMP. Control measures to protect and stabilize the slopes of the Location observed to be missing or insufficient; erosion degradation observed at slopes. A soil stockpile observed adjacent to Valley Farms E7; BMPs to mitigate sediment transport missing at the stockpile. Original CA has not been addressed and remains applicable. | trujilloam | 10/20/2021 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 696203250 | Inspection Photos | http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5560126 |