

**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:

11/16/2021

Submitted Date:

11/22/2021

Document Number:

697503516

FIELD INSPECTION FORMLoc ID 461862 Inspector Name: Binschus, Chris On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 10633

Name of Operator: CRESTONE PEAK RESOURCES OPERATING LLC

Address: 1801 CALIFORNIA STREET #2500

City: DENVER State: CO Zip: 80202

Status Summary:

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

Findings:

10 Number of Comments

2 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
Housey, Melissa		melissa.housey@state.co.us	
		david.stewart@crestonepr.com	
		cogcc.inspections@crestonepr.com	ALL INSPECTIONS

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
461862	LOCATION	AC			-	Crow 3-64 29-30	RI

General Comment:

This is an Interim Reclamation and Stormwater inspection at the request of COGCC Staff.

Location Construction

Location ID: 461862 CDP: _____

Comment: A disturbance area of 13.6 acres was mapped using Google Earth; this appears to be in compliance with the approved Form 2A for the permitted disturbance area.

Corrective Action: _____

Date: _____

Form 2A COAs:

Comment: Operator is in violation of permit Conditions of Approval (COA) and 1000-Series Rules for Interim Reclamation. Construction commenced approximately on 4/1/2019 and spud operations commenced approximately on 11/16/2021. Operator has been out of compliance with permit COA's and 1000-Series Rules for Interim Reclamation since October 2019.

Corrective Action: _____

Comply with the permit Conditions of Approval immediately.

Date: 11/16/2021

The corrective date is the date the location was observed out of compliance.

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:

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

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

Land Use: DRY LAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION PassComment Appears topsoil was salvaged and stored along the southern and western perimeter of the location in compliance with Rule 1002.b.

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS In ProcessComment Topsoil has been stabilized by performing seeding operations and in process of achieving long-term stabilization.Per Rule 1002.c., all stockpiles shall be protected from degradation due to contamination, compaction and, to the extent practicable, from wind and water erosion during drilling and production operations. Per Rule 1002.c., BMPs to prevent weed establishment and to maintain soil microbial activity shall be implemented.

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION PassComment Per Rule 1002.e.(1), Operator has adequately constructed and stabilized the entire well pad area, including cut and fill slopes, to control dust and minimize erosion.

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? _____

Comment _____

Corrective Action _____

Date _____

- 1003b. Area no longer in use? Fail 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

Crestone Peak acquired assets from Burlington Resources (Operator # 26580) and ConocoPhillips (Operator # 19160) which were finalized in 2020. Previous to the acquisition, COGCC Staff had met with Burlington and ConocoPhillips regarding failures to comply with 1000-Series Rules for Interim Reclamation. It appears the issue persists; therefore, COGCC Staff is requiring Crestone Peak to perform an internal audit regarding interim reclamation compliance. Performing the required internal audit will not relieve the Operator from any potential non-complaint locations identified to be in violation of interim reclamation rules.

Corrective Action

Operator shall perform an internal audit on previously identified locations from 2017 and all new locations that were constructed since 2017 to present. Operator shall submit the internal audit via Form 4 Sundry Notice to the attention of Chris Binschus by no later than 12/20/2021.

Date 12/20/2021

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

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

Final Land Use: DRY LAND

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 ☐Multi-Well Location ☐**Storm Water:**

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: Operator has maintained stormwater BMPs and BMPs were in proper functioning condition at the time of this inspection. Operator has installed a ditch BMP around the perimeter of location, which is directed to retention area with a stabilized outlet. It appears the Operator has seeded cut/fill slopes and stormwater BMP areas with the addition of straw crimped mulch.

Corrective Action:

Date: _____

Pits: ☐ NO SURFACE INDICATION OF PIT**COGCC Comments**

Comment	User	Date
COGCC Staff will provide the Operator with the previously identified locations from 2017 via an email to the principle agent and representatives.	binschusc	11/22/2021

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

Document Num	Description	URL
402877911	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5587610
697503517	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5587609