

**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:

10/19/2020

Submitted Date:

10/20/2020

Document Number:

696201935**FIELD INSPECTION FORM**Loc ID 312445 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10433Name of Operator: LARAMIE ENERGY LLCAddress: 1401 SEVENTEENTH STREET #1401City: DENVER State: CO Zip: 80202**Status Summary:**

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

Findings:6 Number of Comments3 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 |
|----------------|-------|---------------------------------------|-----------------|
| , | | dnr_cogccenforcement@state.co.us | |
| Arthur, Denise | | denise.arthur@state.co.us | |
| , Laramie | | cogccnotifications@laramie-energy.com | All Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|------------------------|-------------|
| 221628 | WELL | PA | 08/29/2019 | GW | 077-08230 | HORSEHOE CANYON 5 | RI |
| 312445 | LOCATION | CL | | | - | Horseshoe Canyon 5 Pad | RI |

General Comment:

On 10/19/2020, Reclamation Specialist Trujillo conducted a final reclamation and stormwater inspection at Laramie Energy LLC's Horseshoe Canyon 5 Pad Location in Mesa County, Colorado.

This inspection is also a follow up to at least 12 previous inspections dating back to 2015, to document compliance with the following corrective actions:

- 1) Comply with Rule 603.f
- 2) Comply with Rule 1003.b and conduct interim reclamation
- 3) Comply with COGCC 1004 Rules and conduct final reclamation

It was observed in this inspection that the Location remains out of compliance with COGCC Rules and corrective actions. The following compliance issues were observed during this inspection:

Rule 603.f
1003/1004 Rules

Due to the significant nature, extent, or duration of alleged rule violations documented in this inspection, this Location is being referred to enforcement and corrective action dates may not be applied. Perform the corrective action(s) immediately to avoid further enforcement and potential penalties.

Refer to the "Location" 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 on this site inspection 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 | STORAGE OF SUPL | | |
| Comment: | <p>Previous inspections dating back to 2015 documented unused equipment, or equipment not needed for production, being stored on both the production and (what should be) the interim areas of the Location. Inspections required Operator to comply with Rule 603.f.</p> <p>It was observed in this inspection that the corrective action has not been addressed; trash/debris, unused equipment, or equipment not needed for production remains stored on the Location. This corrective action has not been addressed and remains applicable.</p> | | |
| Corrective Action: | Comply with Rule 603.f | Date: | 09/21/2018 |

Overall Good: ☐**Spills:**

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

In Containment: No

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

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

Flaring:

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

| Inspected Facilities | | | | | | | | | |
|----------------------|--------|-------|----------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 221628 | Type: | WELL | API Number: | 077-08230 | Status: | PA | Insp. Status: | RI |
| | | | | | | | | | |
| Facility ID: | 312445 | Type: | LOCATION | API Number: | - | Status: | CL | 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? _____

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? Fail

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? Fail

Production areas have been stabilized? _____ Segregated soils have been replaced? Fail

RESTORATION AND REVEGETATIONCropland

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

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

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

Previous inspections documented trash/debris, unused equipment, and/or equipment not needed for production being stored on areas subject to interim reclamation pursuant to 1003 Rules. Inspections required Operator to remove equipment and reclaim areas not needed for production.

It was observed in this inspection that equipment has not been removed, and that interim reclamation has not been conducted per 1003 Rules and the corrective actions.

It is noted that even though the well on the Location has been plugged, and that the Location is now also subject to 1004 Final Reclamation, the corrective action (and date) requiring interim reclamation was not addressed and therefore will remain applicable until addressed in its entirety.

Corrective Action

Comply with Rule 1003.b

Date 10/15/2018

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

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

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged Pass Pit mouse/rat holes, cellars backfilled _____

Debris removed Fail No disturbance /Location never built _____

Access Roads Regraded Fail Contoured Fail Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed Fail Locations, facilities, roads, recontoured Fail

Compaction alleviation Fail Dust and erosion control _____

Non cropland: Revegetated 80% Fail 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: Inspection #696201457 documented that the well was PAd 8/29/2019, that the Location was subject to final reclamation requirements, and that Operator failed to conduct final reclamation by the first favorable and local growing season pursuant to 1004 rules. Inspection required Operator to comply with COGCC 1004 Rules.

It was observed in this inspection that the Location remains out of compliance with COGCC rules and corrective actions; final reclamation activities pursuant to COGCC 1004 rules have not been conducted. See attached photo document.

Corrective Action: **Comply with COGCC 1004 Rules and conduct final reclamation on the Location.**

Date _____

Overall Final Reclamation

FailWell Release on Active Location ☐Multi-Well Location ☐**COGCC Comments**

| Comment | User | Date |
|--|------------|------------|
| <p>COMMENT COPIED FROM INSPECTION #696201457:</p> <p>COGCC Records show 11 corrective action inspections dating back to 8/21/2015 documenting compliance issues regarding the storage of unused equipment (or equipment not needed for production) on both the production areas and areas subject to interim reclamation requirements in violation of Rules 603.f and 1003. Inspections also documented that no variance request to waive these requirements was ever submitted or approved. Original CA date regarding removal of equipment/supplies/debris stored on the Location for previous operator was 9/30/15, and 12/20/2015 for interim reclamation.</p> <p>Operator submitted Resolution Form #402033382 stating observed equipment is not owned by the Operator. The resolution form was "Not Approved" by the COGCC.</p> <p>Form 6(s) #402177253 states well was plugged 8/29/2019; Location is now also subject to 1004 final reclamation requirements.</p> <p>To date no 502.b variance to waive COGCC Rules and Requirements has been submitted or approved.</p> | trujilloam | 10/20/2020 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 402515110 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5274185 |
| 696201936 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5274181 |