

<b>FORM INSP</b> Rev 05/11	<b>State of Colorado</b> <b>Oil and Gas Conservation Commission</b> 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109		DE ET OE ES
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Inspection Date: <p style="text-align: center;"><u>01/13/2014</u></p> Document Number: <p style="text-align: center;"><u>670201135</u></p> Overall Inspection: <div style="border: 2px solid red; padding: 2px; text-align: center; color: red; font-weight: bold;">                     Unsatisfactory                 </div>
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Location Identifier	Facility ID <u>434347</u>	Loc ID <u>335188</u>	Inspector Name: <u>BURGER, CRAIG</u>	On-Site Inspection <input type="checkbox"/>
				2A Doc Num: _____

**Operator Information:**

OGCC Operator Number: Name of Operator: <u>WPX ENERGY ROCKY MOUNTAIN LLC</u> Address: <u>1001 17TH STREET - SUITE #1200</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>
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- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

**Contact Information:**

Contact Name	Phone	Email	Comment
Hejl, Kent	(970) 263-2715	Kent.Hejl@Williams.com	completions super
Kellerby, Shaun		Shaun.Kellerby@state.co.us	NW Field Supervisor
Gardner, Michael		Michael.Gardner@wpxenergy.com	Environmental Manager
KUBECZKO, DAVE		dave.kubeczko@state.co.us	

**Compliance Summary:**

QtrQtr: <u>LOT 11</u>	Sec: <u>16</u>	Twp: <u>6S</u>	Range: <u>94W</u>
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Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
01/09/2014	670201124	DG	WO	Unsatisfactory			No

**Inspector Comment:**

Slickwater frac of stage 1 of well. Stage will be flowed back for two weeks then next stage treated. 275,000 lbs proppant and 12,712 bbl fluid pumped. Contact COGCC location assessment specialist Dave Kubeczko and inspector Craig Burger regarding secondary containment at surface pipeline crossings by Thursday, 1/16/14.

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
211100	WELL	PR	11/02/1994	OW	045-06859	LANGSTAFF RMV 12-16	PR <input type="checkbox"/>
281746	WELL	PR	12/02/2005	GW	045-11522	LANGSTAFF RWF 323-16	PR <input type="checkbox"/>
281747	WELL	PR	08/06/2006	GW	045-11523	LANGSTAFF RWF 423-16	PR <input type="checkbox"/>
281748	WELL	PR	12/02/2005	GW	045-11524	LANGSTAFF RWF 413-16	PR <input type="checkbox"/>
281749	WELL	PR	09/11/2006	GW	045-11525	LANGSTAFF RWF 513-16	PR <input type="checkbox"/>
434347	WELL	DG	11/05/2013		045-22157	Langstaff RWF 724-16	WO <input checked="" type="checkbox"/>

**Equipment:** Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>6</u>	Production Pits: _____
Condensate Tanks: <u>2</u>	Water Tanks: <u>1</u>	Separators: <u>6</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: <u>1</u>	Oil Pipeline: _____	Water Pipeline: <u>1</u>
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

**Location**

Emergency Contact Number: (S/U/V) \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

**Spills:**

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

**Venting:**

Yes/No	Comment

**Flaring:**

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 434347

**Site Preparation:**  
 Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/U/V:** \_\_\_\_\_  
 Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

Group	User	Comment	Date
OGLA	kubeczkd	Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).  As required for Groundwater Baseline Sampling; Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.	09/16/2013

<p>OGLA</p>	<p>kubeczkd</p>	<p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.</p> <p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>The access road will be maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p>	<p>09/16/2013</p>
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<p>OGLA</p>	<p>kubeczkd</p>	<p>The moisture content of any cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) located on the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to testing surface poly or buried steel pipelines.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.</p> <p>Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface poly pipeline routes for leaks during active transfer of fluids. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance during pipeline monitoring. The operator shall maintain records of inspections, findings and repairs, if necessary, for the life of the pipelines.</p> <p>Operator must ensure appropriate secondary containment for volume of fluids that may be released before pump shut down from the surface pipeline at all stream, intermittent stream, ditch, and drainage crossings. Catchment basins, if needed, should be sized to contain the volume between pump stations or between the nearest pump station and the frac pad being used for this well pad location. Pump stations along the surface poly or steel pipeline route will be continuously monitored when operating in order to swiftly respond to such a failure.</p> <p>Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.</p>	<p>09/16/2013</p>
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**S/U/V:** Unsatisfactory      **Comment:** Location COA's appear to have been met. Frac tanks on location for flowback water. No indication of secondary containment of the surface water pipeline at stream, intermittent stream, ditch and drainage crossings. See attached photos.

**CA:** Operator must ensure appropriate secondary containment for volume of fluids that may be released before pump shut down from the surface pipeline at all stream, intermittent stream, ditch, and drainage crossings. Contact location assessment specialist Dave Kubeczko and inspector Craig Burger regarding secondary containment at surface pipeline crossings by Thursday, 1/16/14.      **Date:** 01/16/2014

**Wildlife BMPs:**

BMP Type	Comment
Interim Reclamation	<p>As soon as possible after (within 6 mos) well is placed on first sales perform interim reclamation on all disturbed areas not needed for active support of production operations.</p> <p>Seed during appropriate season to increase likelihood of reclamation success</p> <p>Conduct seeding in a manner that ensures that seedbed preparation and planting techniques are targeted toward the varied needs of grasses, forbs and shrubs (e.g., seed forbs and shrubs separately from grasses, broadcast big sagebrush but drill grasses, etc.)</p>
Storm Water/Erosion Control	<p>Onsite and offsite erosion control, re-vegetation of disturbed areas and source and storage of topsoil BMP's will be installed prior to, during and immediately following construction as practicable with consideration given to safety, access, and ground conditions at the time of construction. Due to the nature of the topography at various sites, any number of BMP combinations may be utilized at any phase of the project. Constant efforts will be employed to limit the extent of vegetative disturbance at the time of soil exposure during all construction activities and structural BMP implementation.</p> <p>Storm water is addressed under a field-wide CDPHE plan/permit.</p>
Planning	<p>PRODUCTION/RECLAMATION BMP's</p> <ul style="list-style-type: none"> <li>* Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife</li> <li>* WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeded and reclamation of disturbed areas.</li> <li>* Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings.</li> <li>* Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors.</li> </ul>
Wildlife	<p>Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife</p> <p>Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings.</p> <p>Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors.</p> <p>By using an existing pad we have minimized the number, size and distribution of well pads and locate pads along existing roads where possible.</p> <p>Water for completions operations will be piped from an existing water pit which will reduce truck traffic.</p>
Material Handling and Spill Prevention	<p>Automated high tank alarms are installed on tanks along with emergency shutdown systems.</p> <p>In addition to 2-3 times/week onsite inspections by pumpers they also have routine quarterly checklists that are filled out and kept on file regarding dump line/flow line pressures and also a checklist done for everything regarding compliance at the wellhead and production equipment.</p> <p>Pallets and materials (drilling and production materials and supplies) that are stored on the pallets are kept &gt; 25' from wellheads during production and drilling operations.</p>
Traffic control	<p>Applicable County and state permits will be acquired 1-2 weeks prior to moving rig on location. From I-70 traffic will use existing designated county roads and lease roads to get to the pad.</p>

Planning	<p>PLANNING BMP's</p> <ul style="list-style-type: none"> <li>* Share/consolidate corridors for pipeline ROWs to the maximum extent possible.</li> <li>* Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas.</li> <li>* Use existing roads where possible</li> <li>* Combine utility infrastructure (gas, electric, and water) planning with roadway planning to avoid separate utility corridors</li> <li>* Where possible, consolidate pipeline and existing roadways, or roadways that are planned for development</li> <li>* Maximize use of remote telemetry for well monitoring to minimize traffic</li> </ul>
General Housekeeping	All garbage and trash will be stored in enclosed trash containers and removed and deposited in an approved sanitary landfill within one week following termination of drilling operations. No garbage or trash will be disposed of in the cuttings management area. The well site and access road will be kept free of trash and debris at all times.
Noise mitigation	<p>The mufflers on the rig will be oriented on the southwest end of the pad and will pointed up (toward the sky) so noise will not be directed toward the building unit.</p> <p>Plumb dump lines into tanks to muffle sound</p> <p>Rubber cushions in lubricators are used to muffle sound for plunger lift</p>
Community Outreach and Notification	WPX worked closely with the landowner to determine location of well and also entire plan of development. This location is in an industrial area so the only building unit < 1000' of pad is the land owner's
Pre-Construction	Strip and segregate topsoil prior to construction. Appropriately configure topsoil piles and immediately seed to control erosion, prevent weed establishment and maintain soil microbial activity
Drilling/Completion Operations	Water for completions operations will be piped from an existing water pit which will reduce truck traffic.
Emissions mitigation	<p>A rig that uses natural gas as fuel for the engines versus diesel will be used at this location.</p> <p>Combustors and we use API tanks with thief hatches and enardo valves and pipe everything to the combustion unit.</p>
Planning	<p>This location was chosen due to it being existing and giving geology the distance to the BH that they require. One other existing pad would have worked almost as well but with more modification to surface disturbance and travel distance. The existing location we are using is in the SUA with the landowner. Also, existing roads will be used for this pad. No new road construction is needed.</p> <p>Will use existing pipeline corridors for new pipelines.</p>
Dust control	Fugitive dust control will be implemented during all phases of operations on an as-needed basis.
Final Reclamation	Will complete final reclamation activities so that seeding occurs during the first optimal season following plugging and abandonment of oil and gas wells.
Odor mitigation	We use combustors and we use API tanks with thief hatches and enardo valves and pipe everything to the combustion unit.

**S/U/V:** Satisfactory      **Comment:** Completions in progress.

**CA:**       **Date:**

**Stormwater:**

**Comment:** \_\_\_\_\_

**Staking:**

**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:**  
 \_\_\_\_\_

**Facility**

Facility ID: 434347 Type: WELL API Number: 045-22157 Status: DG Insp. Status: WO

**Well Stimulation**

Stimulation Company: Halliburton Stimulation Type: HYDRAULIC FRAC  
 Other: \_\_\_\_\_  
**Observation:**  
 Maximum Casing Recorded: 10764 PSI Tubing: \_\_\_\_\_  
 Surface: \_\_\_\_\_ Intermediate: \_\_\_\_\_  
 Production: 10764 Instantaneous Shut-In Pressure (ISIP) 8822  
 Bradenhead Psi: 58 Frac Flow Back: Fluid: \_\_\_\_\_ Gas: \_\_\_\_\_

**Environmental**

**Spills/Releases:**  
 Type of Spill: \_\_\_\_\_ Description: \_\_\_\_\_ Estimated Spill Volume: \_\_\_\_\_  
 Comment: \_\_\_\_\_  
 Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reportable: \_\_\_\_\_ GPS: Lat \_\_\_\_\_ Long \_\_\_\_\_  
 Proximity to Surface Water: \_\_\_\_\_ Depth to Ground Water: \_\_\_\_\_

**Water Well:**  
 DWR Receipt Num: \_\_\_\_\_ Owner Name: \_\_\_\_\_ GPS: \_\_\_\_\_ Lat \_\_\_\_\_ Long \_\_\_\_\_

**Field Parameters:**  
 \_\_\_\_\_

Sample Location: \_\_\_\_\_

Emission Control Burner (ECB): \_\_\_\_\_  
 Comment: \_\_\_\_\_  
 Pilot: \_\_\_\_\_ Wildlife Protection Devices (fired vessels): \_\_\_\_\_

**Reclamation - Storm Water - Pit**

**Interim Reclamation:**

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: RANGELAND

Comment: Completions in progress during inspection.

- 1003a. Debris removed? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_
- Waste Material Onsite? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_
- Unused or unneeded equipment onsite? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_
- Pit, cellars, rat holes and other bores closed? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_
- Guy line anchors removed? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_
- Guy line anchors marked? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_

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 REVEGETATION**

Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ 80% Revegetation \_\_\_\_\_

1003 f. Weeds Noxious weeds? \_\_\_\_\_

Comment:

Overall Interim Reclamation \_\_\_\_\_

**Final Reclamation/ Abandoned Location:**

Date Final Reclamation Started: \_\_\_\_\_ Date Final Reclamation Completed: \_\_\_\_\_

Final Land Use: RANGELAND

Reminder: \_\_\_\_\_

Comment:

Well plugged \_\_\_\_\_ Pit mouse/rat holes, cellars backfilled \_\_\_\_\_

Debris removed \_\_\_\_\_ No disturbance /Location never built \_\_\_\_\_

Access Roads Regraded \_\_\_\_\_ Contoured \_\_\_\_\_ Culverts removed \_\_\_\_\_

Inspector Name: BURGER, CRAIG

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 \_\_\_\_\_

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
Compaction	Pass	Culverts	Pass			
Berms	Pass	Compaction	Pass			
Waddles	Pass	Gravel	Pass			

S/U/V: Satisfactory \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Comment: Snow cover limited inspection.

CA: \_\_\_\_\_

**Pits:**  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
670201136	surface water pipeline 2	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3261592">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3261592</a>
670201147	surface water pipeline 1	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3261593">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3261593</a>