

**FORM
INSP**Rev
05/11**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:

04/14/2016

Document Number:

674901081

Overall Inspection:

SATISFACTORY w/ CMT
or AR**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	414289	414282	Hughes, Jim	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10559Name of Operator: SOUTHLAND ROYALTY COMPANY LLCAddress: 400 WEST 7TH STREETCity: FORT WORTH State: TX Zip: 76102

- ☐ 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
Fischer, Alex		alex.fischer@state.co.us	
Semler, Willard	505-330-4302	wsemler@ctfieldsvcs.com	SW Inspection Reports
Hampton, John	505-330-4377	jhampton@ctfieldsvcs.com	SW Inspection Reports
Grigg, Robbie		rgrigg@morningpartners.com	SW Inspection Reports

Compliance Summary:QtrQtr: SENE Sec: 12 Twp: 32N Range: 6W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
03/24/2014	674600134	PR	PR	SATISFACTORY	P		No
02/26/2010	200233068	DG	DG	SATISFACTORY			No

Inspector Comment:

On April 14, 2016 COGCC SW EPS conducted an environmental field inspection of the Southland Royalty Co. LLC Jaramillo 32-6 #12-3. For the most recent field inspection report of this facility, please refer to document #674600134.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
414289	WELL	PR	03/24/2010	GW	007-06287	JARAMILLO 32-6 12-3	EI	<input checked="" type="checkbox"/>

Equipment:Location Inventory

Special Purpose Pits: <u> </u>	Drilling Pits: <u> </u>	Wells: <u>1</u>	Production Pits: <u> </u>
Condensate Tanks: <u>2</u>	Water Tanks: <u>3</u>	Separators: <u>1</u>	Electric Motors: <u> </u>
Gas or Diesel Mortors: <u>1</u>	Cavity Pumps: <u> </u>	LACT Unit: <u> </u>	Pump Jacks: <u>1</u>
Electric Generators: <u> </u>	Gas Pipeline: <u>1</u>	Oil Pipeline: <u> </u>	Water Pipeline: <u>1</u>
Gas Compressors: <u>1</u>	VOC Combustor: <u> </u>	Oil Tanks: <u> </u>	Dehydrator Units: <u>1</u>
Multi-Well Pits: <u> </u>	Pigging Station: <u> </u>	Flare: <u> </u>	Fuel Tanks: <u> </u>

Location

Inspector Name: Hughes, Jim

Lease Road:				
Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY			

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	Location sign mounted to chain link fence at well head.		
BATTERY	SATISFACTORY			

Emergency Contact Number (S/AR): ACTION Corrective Date: 05/20/2016

Comment: Emergency contact number went to voice mail. COGCC staff left a message that was not returned.

Corrective Action: Install sign to comply with Rule 210.b.

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Spills:				
Type	Area	Volume	Corrective action	CA Date

☐ Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	Chain link fence around pump jack, chemical injection system, and well head.		
TANK BATTERY	SATISFACTORY			

Equipment:				
Type: Pump Jack	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:
Type: Gas Meter Run	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:
Type: Deadman # & Marked	# 4	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date:
Type: Ancillary equipment	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment	Electrical supply			
Corrective Action				Date:

Inspector Name: Hughes, Jim

Type: Ancillary equipment	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment Chemical injection system.			
Corrective Action			Date:
Type: Ancillary equipment	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment Telemetry			
Corrective Action			Date:
Type: Bird Protectors	# 3	Satisfactory/Action Required:	SATISFACTORY
Comment			
Corrective Action			Date:
Type: Vertical Heated Separator	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment			
Corrective Action			Date:
Type: Ancillary equipment	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment Valve can.			
Corrective Action			Date:

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____
Contents	#	Capacity	Type
PRODUCED WATER	2	400 BBLS	STEEL AST
SE GPS		37.034336,-107.442898	
S/AR	SATISFACTORY	Comment:	
Corrective Action:			Corrective Date:

Paint

Condition	Adequate
-----------	----------

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

Venting:

Yes/No	
Comment	

Flaring:

Type		Satisfactory/Action Required	
Comment:			
Corrective Action:		Correct Action Date:	

Predrill

Location ID: 414289

Site Preparation:

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/AR: _____

Corrective Action: _____

Date: _____

CDP Num.: _____

Form 2A COAs:

S/AR: _____ **Comment:**

CA:

Date: _____

Wildlife BMPs:

BMP Type	Comment
PROPOSED BMPs	<p>and state, agricultural and ranching needs of the surface owner, while maintaining optimal wildlife protection in the process.</p> <p>* SEED MIXTURE</p> <p>*Energen Resources Corporation strives to re-vegetate with seed mixtures that are of the surface owner's preference. Attached is list of seed mixtures from the Colorado Department of Wildlife and will be used in discussions with the surface owner prior to reseeding.</p> <p>*WEED MANAGEMENT</p> <p>weed management can be accomplished in an assortment of ways. Energen makes every effort to manage weeds for both fire protection and [species of noxious weeds grow or spread differently, and Colorado's Noxious Weed Act requires certain methods of control to be used depending on the level of control that is mandated.</p> <p>Below are examples of Integrated Pest Management techniques.</p> <p>Biological control-uses organisms to control noxious weeds. Since we are dealing with living things, a variety of circumstances come into play that impact the success of the establishment of the bio-control and ultimately the control of the noxious weed you are targeting. For example, an organism that works well on the plains may not work in the mountains. Although there has been some success on some noxious weeds, bio-control agents are not available for all species.</p> <p>Chemical control-the use of herbicides to control noxious weeds. all herbicides must be used in accordance with the registered label.</p> <p>Cultural control- the use of materials or techniques that reduce noxious weed populations. Examples include mulching, rotational grazing, and establishing good vegetation cover.</p> <p>Mechanical-cutting, mowing , disking.)</p> <p>The implementation of one or more of these operational practices creates an overall diminished impact to wildlife.</p>
PROPOSED BMPs	<p>ENERGEN RESOURCES CORPORATION</p> <p>BEST MANAGEMENT TECHNIQUES</p> <p>CURRENTLY IMPLEMENTED BY ENERGEN</p> <p>PROMOTING THE PROTECTION OF WILDLIFE</p> <p>PLAN FOR JARAMILLO 32-6 #12-3</p> <p>Energen Resources Corporation has many proactive best management practices currently in action that promote the protection of wildlife. Contained within this document are proactive measures Energen embraces on most projects. these are beneficial when developing within</p>

critical or sub-critical wildlife management areas. All practices are now put into service at every well site location: however there are multiple practices that are consistent with specific areas. During development of the Archuleta and La Plata County areas in and around Arboles and Tiffany, Colorado, the following systematic differences have been advantageous to protecting wildlife and wildlife habitat within Elk Winter Ranges, Mule Deer Winter Ranges and Critical Winter Range Areas. The listed items below are the planned development best management practices that Energen intends on implementing on the Jaramillo #12-3 location and associated operational equipment.

- * Use of underground produced water system, piping all produced water back to a centrally located Salt Water Disposal Facility.

- *Reduces truck traffic to location for purposes of water hauling.

- *Electrification of locations within project area.

- * Use of underground electrical is raptor friendly.

- * Reduction of noise is wildlife and neighbor friendly

- * Reduction of pollution by reducing the need for petroleum based engines and therefore reducing green house emissions such as CO₂, NO_x, particulate matter, and other associated emissions.

- * By trenching the electrical facilities in there is minimal disturbance to surface area.

- * Fencing

- * Permanent fencing is placed around moving equipment on location to prevent the wildlife entry to potentially harmful equipment.

- * Where there is agreement from landowners to maintain range cattle, horses or other livestock, wildlife friendly fence is being utilized.

- * Gates and fencing at entrances of locations are utilized when deemed appropriate.

- * Additional fencing for the protection of livestock from well locations when deemed necessary.

- * Closed-loop Drilling Operations

- *Energen has been using closed-loop drilling operations within this area.

- * Removes the need for a pit.

- * Fewer hazards for wildlife and potential risks associated with having a pit during drilling operations.

- *Recycling of Drilling fluids

- *Less truck traffic due to the recycling methods that Energen has been developing with contractors.

- * Mud systems are dewatered and the water is then reused during drilling operations.

- * Mud that is still able for use upon completion is transported to the next drilling location for drilling operations, reducing the amount of water usage.

- * Drilling Operations

- * Energen has been developing the horizontal drilling program and has successfully drilled several wells horizontally intersecting with multiple quarter sections which may alleviate the need for additional wells in a section.

- * Twinned or shared well pads have been utilized, reducing surface disturbance impacts.

Inspector Name: Hughes, Jim

- *Reduced area necessary for well pad construction
- *Pipelines closer to facilities, reducing the need to disturb greater areas for pipeline installation.
- *Even though the Jaramillo well is not twinned with another well pad it is closely located to an existing corridor that will be utilized for gas and water pipeline installation.
- *Stormwater Management
 - *Energen maintains Stormwater permits and management plans that are compliant with both the Colorado Department of Public Health and Environment and the Colorado Oil and Gas Conservation Commission.
 - *Well sites are inspected according to current regulatory practices and all necessary repairs and/or amendments are made consequently.
- *Reclamation
 - *Post drilling operations, Energen reclaims the well pad and access road back to a minimum area of disturbance, therefore leaving only necessary operational areas disturbed.
- *Surface Owner Concurrence
 - *Energen works hard to maintain good neighbor relations with the surface owners. This includes many different aspects of discussions and agreements between the operator and the surface owner to come to an agreement that is copasetic with all stakeholders involved. The stakeholders include but are not limited to regulatory agencies, counties,

S/AR: _____ Comment: _____

CA: _____ Date: _____

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: 414289 Type: WELL API Number: 007-06287 Status: PR Insp. Status: EI

Environmental

Inspector Name: Hughes, Jim

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:

Lat _____ Long _____
DWR Receipt Num: _____ Owner Name: _____ GPS : _____

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: _____

1003a. Waste and Debris removed? _____

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 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

Inspector Name: Hughes, Jim

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 _____

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
Gravel	Pass	Gravel	Pass			
Compaction	Pass	Compaction	Pass	MHSP	Pass	Secondary containment for chemical injection.

S/A/V: SATISFACTOR Y Corrective Date: _____

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
On April 14, 2016 COGCC SW EPS conducted an environmental field inspection of the Southland Royalty Co. LLC Jaramillo 32-6 #12-3. For the most recent field inspection report of this facility, please refer to document #674600134. Emergency contact number listed on location sign went to voice mail. Message left by COGCC staff was not returned. Install sign to comply with Rule 210.b.	hughesj	04/22/2016

Attached Documents

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

Document Num	Description	URL
674901082	Emergency contact number went to voice mail.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3839244
674901083	Chemical injection system with secondary containment.	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3839245