

**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

| DE | ET | OE | ES |
|----|----|----|----|
|----|----|----|----|

Inspection Date:

05/07/2014

Document Number:

673703006

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

| | | | | |
|---------------------|-------------|--------|-----------------|---|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection <input type="checkbox"/> |
| | 257485 | 304316 | Sherman, Susan | 2A Doc Num: _____ |

Operator Information:OGCC Operator Number: 10489Name of Operator: AUGUSTUS ENERGY RESOURCES LLCAddress: 2016 GRAND AVENUE #ACity: BILLINGS State: MT Zip: 59102

- ☐ 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 |
|--------------|----------------|---------------------------|---------|
| DAVIS, LONI | (970) 332-3585 | ldavis@augustusenergy.com | |

Compliance Summary:QtrQtr: NENE Sec: 12 Twp: 1N Range: 47W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 07/17/2012 | 663300308 | PR | PR | SATISFACTORY Y | I | | No |
| 06/11/2009 | 200212787 | PR | PR | SATISFACTORY Y | | | No |
| 10/02/2000 | 200010440 | CC | DG | SATISFACTORY Y | | Pass | No |

Inspector Comment:**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|----------------|-------------|-------------------------------------|
| 257485 | WELL | PR | 09/09/2001 | GW | 125-08236 | STALLINGS 1-12 | PR | <input checked="" type="checkbox"/> |

Equipment:Location Inventory

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

Location

Inspector Name: Sherman, Susan

| Signs/Marker: | | | | |
|----------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WELLHEAD | SATISFACTORY | | | |
| CONTAINERS | SATISFACTORY | | | |
| BATTERY | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: _____

Comment: _____

Corrective Action: _____

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

| Fencing: | | | | |
|-----------------|------------------------------|--------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WELLHEAD | SATISFACTORY | steel panels | | |
| TANK BATTERY | SATISFACTORY | steel panels | | |

| Equipment: | | | | | |
|---------------------|---|------------------------------|---|-------------------|---------|
| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| Pump Jack | 1 | SATISFACTORY | | | |
| Prime Mover | 1 | SATISFACTORY | | | |
| Ancillary equipment | 2 | SATISFACTORY | Cathodic protection and electric panel. | | |

| | | | | | |
|--------------------|--|---|----------------|----------------|-----------------------|
| Facilities: | | <input type="checkbox"/> New Tank | Tank ID: _____ | | |
| Contents | | # | Capacity | Type | SE GPS |
| PRODUCED WATER | | 1 | OTHER | FIBERGLASS AST | 40.074170,-102.560790 |
| S/A/V: | | Comment: No berms (see attached photo). | | | |
| Corrective Action: | | | | | Corrective Date: |

| Paint | |
|------------------|----------|
| Condition | Adequate |
| Other (Content) | _____ |
| Other (Capacity) | 110 BBL |
| Other (Type) | _____ |

| Berms | | | | |
|-------------------|----------|---------------------|---------------------|-----------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| | | | | |
| Corrective Action | | | | Corrective Date |
| Comment | | | | |

Inspector Name: Sherman, Susan

Facilities: ☐ New Tank Tank ID: _____

| Contents | # | Capacity | Type | SE GPS |
|----------------|---|----------|----------------|-----------------------|
| PRODUCED WATER | 2 | 400 BBLS | FIBERGLASS AST | 40.073800,-102.570010 |

| | | | |
|--------------------|--------------|------------------|--|
| S/A/V: | SATISFACTORY | Comment: | |
| Corrective Action: | | Corrective Date: | |

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------|----------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate |

| | | | |
|-------------------|--|-----------------|--|
| Corrective Action | | Corrective Date | |
| Comment | | | |

| | | |
|-----------------|---------|--|
| Venting: | | |
| Yes/No | Comment | |
| | | |

| | | | | |
|-----------------|------------------------------|---------|-------------------|---------|
| Flaring: | | | | |
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| | | | | |

Predrill

Location ID: 257485

Site Preparation:

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____

Date: _____ CDP Num.: _____

Form 2A COAs:**S/A/V:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/A/V:** _____ **Comment:** _____**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: 257485 Type: WELL API Number: 125-08236 Status: PR Insp. Status: PR

Producing Well

Comment: Jan 2014 last reported production data.

Environmental**Spills/Releases:**

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____ Date: _____

Reportable: _____ GPS: Lat _____ Long _____

Inspector Name: Sherman, Susan

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: _____

Comment: **rangeland**

1003a. Debris removed? Pass CM _____
CA _____ CA Date _____
Waste Material Onsite? Pass CM _____
CA _____ CA Date _____
Unused or unneeded equipment onsite? Pass 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? Pass Production areas stabilized ? Pass

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? Pass

Production areas have been stabilized? Pass 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 Pass

1003 f. Weeds Noxious weeds? _____

Inspector Name: Sherman, Susan

Comment: _____

Overall Interim Reclamation Pass

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 _____

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 | Compaction | Pass | | | |
| Gravel | Pass | Gravel | Pass | SR | Pass | |

S/A/V: SATISFACTOR
Y _____

Corrective Date: _____

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|---|----------|------------|
| Note: Lease 260960 listed under J-W Operating Company and not Augustus. | ShermaSe | 05/12/2014 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|------------------------------|---|
| 673703098 | Augustus Stallings 1-12 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3341117 |
| 673703099 | Augustus Stallings 1-12 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3341118 |
| 673703100 | Augustus Stallings 1-12 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3341119 |

| | | |
|-----------|------------------------------------|---|
| 673703101 | Augustus Stallings 1-12 well | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3341120 |
| 673703102 | Augustus Stallings Schramn WDW Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3341121 |
| 673703103 | Augustus Stallings Schramn WDW Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3341122 |
| 673703104 | Augustus Stallings Schramn WDW Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3341123 |
| 673703105 | Augustus Stallings Schramn WDW Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3341124 |
| 673703106 | Augustus Stallings Schramn WDW Bat | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3341125 |