

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



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Inspection Date:
08/07/2014

Document Number:
673705338

Overall Inspection:

ACTION REQUIRED

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>277996</u>	<u>317395</u>	<u>Sherman, Susan</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10495</u>
Name of Operator:	<u>LILIS ENERGY INC</u>
Address:	<u>1900 GRANT ST STE 720</u>
City:	<u>DENVER</u> State: <u>CO</u> Zip: <u>80203</u>

- 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
Peterson, Andy	(970) 203-4263	andy.peterson@petersonenergy.com	

Compliance Summary:

QtrQtr:	Sec:	Twp:	Range:				
<u>NENE</u>	<u>25</u>	<u>3S</u>	<u>51W</u>				
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
10/17/2012	663300684	PR	PR	ACTION REQUIRED	P		No
09/18/2007	200119496	PR	PR	SATISFACTOR Y			No
07/26/2007	200116016	PR	PR	SATISFACTOR Y		Pass	No
05/04/2007	200111089	PR	PR	ACTION REQUIRED		Fail	Yes
07/17/2006	200094469	PR	PR	ACTION REQUIRED		Fail	Yes
08/29/2005	200076260	PR	PR	ACTION REQUIRED		Fail	Yes
06/16/2005	200073027	DG	DG	ACTION REQUIRED		Pass	No

Inspector Comment:

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
277996	WELL	PR	06/14/2008	OW	121-10858	CHURCH 41-25	SI	<input checked="" type="checkbox"/>
279810	PIT	AC	09/15/2005		-	CHURCH 41-25	AC	<input type="checkbox"/>
286645	PIT	AC	09/11/2006		-	CHURCH 41-25 2	AC	<input type="checkbox"/>

Equipment:

Location Inventory

Inspector Name: Sherman, Susan

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	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

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	ACTION REQUIRED	Sign at battery does not list 41B-25 as an associated well.	Install sign to comply with rule 210.	09/12/2014
CONTAINERS	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY	IAW 10/17/2014 inspection.		
WELLHEAD	SATISFACTORY	IAW 10/17/2014 inspection.		

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?				

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Bird Protectors	3	SATISFACTORY	One smoke stack on produced water tank is missing a bird protector.	Install bird protector on smoke stack.	09/12/2014
Ancillary equipment	6	SATISFACTORY	One electrical panel, 3 chemical containers, cathodic protection, propane tank.		
Veritcal Heater Treater	1	SATISFACTORY	Berms 39.76846, - 103.03259		
Progressive Cavity	1	SATISFACTORY			
Deadman # & Marked	4	SATISFACTORY			
FWKO	1	SATISFACTORY	Same berms are VHT.		

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____		
Contents	#	Capacity	Type	SE GPS	
PRODUCED WATER	1	500 BBLS	STEEL AST	39.768460,-103.032590	
S/A/V:	Comment: same berms as VHT and FWKO.				
Corrective Action:				Corrective Date:	
<u>Paint</u>					
Condition					
Other (Content)	_____				
Other (Capacity)	_____				
Other (Type)	_____				
<u>Berms</u>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Corrective Action				Corrective Date	
Comment					

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____		
Contents	#	Capacity	Type	SE GPS	
PRODUCED WATER	2	300 BBLS	STEEL AST	39.768460,-103.032500	
S/A/V:	Comment: ACTION REQUIRED				
Corrective Action: Verify leak in tank per 10/17/2012 inspection (see attached photo).				Corrective Date:	
<u>Paint</u>					
Condition					
Other (Content)	_____				
Other (Capacity)	_____				
Other (Type)	_____				
<u>Berms</u>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Corrective Action				Corrective Date	
Comment					

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____		
Contents	#	Capacity	Type	SE GPS	
CRUDE OIL	4	300 BBLS	STEEL AST	39.768730,-103.032660	
S/AV:	SATISFACTORY		Comment:		
Corrective Action:				Corrective Date:	
Paint					
Condition					
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	CA Date	

Predrill

Location ID: 277996

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/AV: _____ **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: 277996 Type: WELL API Number: 121-10858 Status: PR Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

S/AV: SATISFACTORY CA Date: _____

CA: _____

Comment: _____

Environmental

Spills/Releases:

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

Inspector Name: Sherman, Susan

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: _____

Comment: CRP

- 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? Pass CM _____
- CA _____ CA Date _____

1003b. Area no longer in use? In Production areas stabilized ? Pass

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass 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? In

Production areas have been stabilized? Pass Segregated soils have been replaced? Pass

RESTORATION AND REVEGETATION

Cropland

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

Inspector Name: Sherman, Susan

Non-Cropland

Top soil replaced Pass Recontoured Pass 80% Revegetation In

1003 f. Weeds Noxious weeds? I

Comment:

Overall Interim Reclamation In Process

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
Gravel	Pass	Gravel	Pass			
Compaction	Pass	Compaction	Pass	MHSP	Fail	

S/A/V: _____ Corrective Date: _____

Comment:

CA:

Pits: NO SURFACE INDICATION OF PIT

Pit Type: Produced Water Lined: NO Pit ID: Lat: 39.767840 Long: -103.032490

Lining:

Liner Type: Liner Condition:

Comment:

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Netting Condition:

Comment:

Anchor Trench Present: Oil Accumulation: NO 2+ feet Freeboard:

Pit (S/A/V): ACTION Comment: East pit. Pit listed in COGCC database under Davis, LLC., Edward Mike ownership. Berms eroding into CRP (see attached photo).

Corrective Action: Transfer ownership of pit. Install BMPs to prevent sediment transport. Date: 10/03/2014

Pit Type: Produced Water Lined: NO Pit ID: Lat: 39.767890 Long: -103.032550

Lining:

Liner Type: Liner Condition:

Comment:

Fencing:

Fencing Type: Fencing Condition:

Comment:

Netting:

Netting Type: Netting Condition:

Comment:

Anchor Trench Present: Oil Accumulation: NO 2+ feet Freeboard:

Pit (S/A/V): ACTION Comment: West pit. Pit listed in COGCC database under Davis, LLC., Edward Mike ownership. Berms eroding into CRP (see attached photo).

Corrective Action: Transfer ownership of pit. Install BMPs to prevent sediment transport. Date: 10/03/2014

Permit:	Facility ID	Permit Num	Expiration Date
	279810	1140258	
	286645	1395939	
	286645	1395939	

COGCC Comments

Comment	User	Date
Form 10 was submitted to COGCC for new Operator. Verify that leak on bolted seam of produced water tank was repair per 10/17/2012 inspection (see attached photo).	ShermaSe	08/12/2014

Attached Documents

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

Document Num	Description	URL
673705387	Peterson Church 41-25 well	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406988
673705388	Peterson Church 41-25 well/electric panel	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406989

673705389	Peterson Church 41-25 wellhead/IR	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406990
673705394	Peterson Church 41-25 Bat CO tanks/berms	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406991
673705395	Peterson Church 41-25 Bat sign	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406992
673705397	Peterson Church 41-25 Bat tanks	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406993
673705398	Peterson Church 41-25 Bat PW tanks	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406994
673705399	Peterson Church 41-25 Bat treaters	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406995
673705400	Peterson Church 41-25 Bat propane tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406996
673705401	Peterson Church 41-25 Bat East pit	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406997
673705402	Peterson Church 41-25 Bat East pit, east berms	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406998
673705403	Peterson Church 41-25 Bat PW tank	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3406999
673705404	Peterson Church 41-25 Bat inside treater house	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3407000