

**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:
09/02/2014Document Number:
673401066

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 232713 | 316763 | Waldron, Emily | <input type="checkbox"/> | |

Operator Information:

OGCC Operator Number: 3250

Name of Operator: ANTELOPE ENERGY COMPANY LLC

Address: P O BOX 577

City: KIMBALL State: NE Zip: 69145

- ☒ 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 |
|-----------------|--------------|----------------------------|---------|
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |
| Keeler, Jodi | 308-235-4661 | jodik@antelope-energy.com | |

Compliance Summary:

| QtrQtr: | NWNW | Sec: | 16 | Twp: | 6N | Range: | 89W |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
| 01/21/2014 | 673400212 | SI | SI | ACTION REQUIRED | | | No |
| 11/12/2013 | 673400071 | SI | SI | ACTION REQUIRED | F | | No |
| 05/14/2012 | 662300492 | PR | SI | ACTION REQUIRED | | | No |
| 10/08/2010 | 200278110 | PR | PR | ACTION REQUIRED | | | Yes |
| 06/05/2008 | 200191532 | ES | PR | ACTION REQUIRED | | | Yes |
| 07/07/1999 | 500157990 | PR | PR | | | Fail | No |

Inspector Comment:**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|------------------------|-------------|-------------------------------------|
| 232713 | WELL | SI | 11/01/2008 | OW | 107-06127 | STATE OF COLORADO 1-16 | SI | <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 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 | Battery sign incomplete. | Install sign to comply with rule 210. | 09/18/2014 |
| WELLHEAD | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | ACTION REQUIRED | Incomplete tank label. | Install sign to comply with rule 210. | 09/18/2014 |

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|-----------------|------------------------------|--|---|------------|
| WEEDS | ACTION REQUIRED | Location was mowed but noxious weeds still present and blooming. | Implement and maintain an effective weed control program. | 09/18/2014 |
| STORAGE OF SUPL | ACTION REQUIRED | Tubing stored next to wellhead. | Remove all equipment not necessary for production. | 09/18/2014 |

Spills:

| Type | Area | Volume | Corrective action | CA Date |
|------|------|--------|-------------------|---------|
|------|------|--------|-------------------|---------|

☐ Multiple Spills and Releases?**Fencing/:**

| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|-----------|------------------------------|---------|-------------------|---------|
| SEPARATOR | SATISFACTORY | | | |

Equipment:

| Type | # | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
|--------------------|---|------------------------------|---------|-------------------|---------|
| Vertical Separator | 1 | SATISFACTORY | Bermed. | | |
| Deadman # & Marked | 4 | SATISFACTORY | | | |
| Plunger Lift | 1 | SATISFACTORY | | | |

Inspector Name: Waldron, Emily

| | | | | | |
|------------------------|------------------------------|-----------------------------------|---------------------|-----------------------|------------------|
| Facilities: | | <input type="checkbox"/> New Tank | Tank ID: _____ | | |
| Contents | # | Capacity | Type | SE GPS | |
| CRUDE OIL | 1 | 400 BBLS | STEEL AST | 40.482070,-107.387050 | |
| 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 | |
| Earth | Adequate | Walls Sufficient | | Adequate | |
| Corrective Action | | | | | Corrective Date |
| Comment | | | | | |
| Venting: | | | | | |
| Yes/No | | Comment | | | |
| | | | | | |
| Flaring: | | | | | |
| Type | Satisfactory/Action Required | | Comment | Corrective Action | CA Date |
| | | | | | |

Predrill

Location ID: 232713

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: 232713 Type: WELL API Number: 107-06127 Status: SI Insp. Status: SI

Idle WellPurpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____

S/A/V: SATISFACTORY CA Date: _____

CA: _____

Comment: _____

Environmental**Spills/Releases:**

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

Inspector Name: Waldron, Emily

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: _____

Complaint:

| Tracking Num | Category | Assigned To | Description | Incident Date |
|--------------|----------|----------------|---|---------------|
| 200389321 | SIGNS | Waldron, Emily | COGCC staff contacted by Routt County LGD to inspect location 05-107-06127 because location was "overgrown with weeds, the signs aren't correct, the access road is overgrown." | 11/12/2013 |

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: _____

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: _____

Inspector Name: Waldron, Emily

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: _____

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

S/A/V: SATISFACTOR

Corrective Date: _____

Y

Comment: No apparent soil migration; erosion or soil movement.

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|---|----------|------------|
| Follow up to inspection from 1/21/2013 (document number 673400212) to inspect weed control, road and berm maintenance in the appropriate season. Weeds and road have been mowed. Weeds have come back, noxious weeds are blooming on location. Tank labels are incomplete and the battery sign is incomplete. Please submit a written plan of compliance to the inspector within 7 business days. | waldrone | 09/11/2014 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---------------------------|---|
| 673401094 | Incomplete battery sign | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3432011 |
| 673401095 | Tubing stored on location | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3432012 |
| 673401096 | Incomplete tank label | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3432013 |

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)