

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:
03/07/2016
Document Number:
673712844

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|-----------------------|--------------------|--------------------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | <input type="checkbox"/> |
| | <u>416299</u> | <u>416315</u> | <u>Sherman, Susan</u> | 2A Doc Num: | |

Overall Inspection:
SATISFACTORY w/ CMT or AR

Operator Information:

OGCC Operator Number: 10489
Name of Operator: AUGUSTUS ENERGY RESOURCES LLC
Address: 2016 GRAND AVENUE #A
City: 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: NWNE Sec: 31 Twp: 1N Range: 44W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 07/03/2013 | 668601051 | PR | PR | SATISFACTORY | P | | No |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|-----------------|-------------|-------------------------------------|
| 416299 | WELL | PR | 05/14/2010 | GW | 125-11793 | DETERDING 31-02 | PR | <input checked="" type="checkbox"/> |

Equipment:

Location Inventory

| | | | |
|---------------------------------|-------------------------|---------------------|--------------------------|
| Special Purpose Pits: _____ | Drilling Pits: <u>1</u> | Wells: <u>1</u> | Production Pits: _____ |
| Condensate Tanks: _____ | Water Tanks: <u>1</u> | Separators: _____ | Electric Motors: _____ |
| Gas or Diesel Mortors: <u>1</u> | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: <u>1</u> |
| 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

Empty location description box.

| Lease Road: | | | | |
|--------------------|------------------------------|---|-------------------|------|
| Type | Satisfactory/Action Required | comment | Corrective Action | Date |
| Access | SATISFACTORY | Access road has a steep hill down into location that has gravel installed with rill forming on edges of gravel. | | |

| Signs/Marker: | | | | |
|----------------------|------------------------------|---------------------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| OTHER | SATISFACTORY | lease sign on CR 30 | | |
| WELLHEAD | SATISFACTORY | | | |

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

Comment: _____

Corrective Action: _____

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

| 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 |
| LOCATION | SATISFACTORY | barbed wire | | |
| WELLHEAD | SATISFACTORY | steel panels around all equipment | | |

| Equipment: | | | | |
|---------------------------|--|--|--|-------|
| Type: Ancillary equipment | # 3 | Satisfactory/Action Required: SATISFACTORY | | |
| Comment | gas scrubber, radio telemetry, solar panel | | | |
| Corrective Action | | | | Date: |
| Type: Pump Jack | # 1 | Satisfactory/Action Required: SATISFACTORY | | |
| Comment | concrete pad | | | |
| Corrective Action | | | | Date: |
| Type: Vertical Separator | # 1 | Satisfactory/Action Required: SATISFACTORY | | |
| Comment | partially buried | | | |
| Corrective Action | | | | Date: |
| Type: Prime Mover | # 1 | Satisfactory/Action Required: SATISFACTORY | | |
| Comment | gas engine | | | |
| Corrective Action | | | | Date: |

| | | |
|---------------------|-----------------------|--|
| Type: Gas Meter Run | # 1 | Satisfactory/Action Required: SATISFACTORY |
| Comment | shed next to wellhead | |
| Corrective Action | | Date: |

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

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

Predrill

Location ID: 416299

Site Preparation:

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

S/AR: _____

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

Form 2A COAs:

| Group | User | Comment | Date |
|--------|--------|---|------------|
| Agency | youngr | Location is in a sensitive area because of close proximity to surface water, therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations. | 03/16/2010 |

S/AR: _____ **Comment:** From 2A: "SECTION 8- WATER RESOURCES:SENSITIVE AREA DUE TO LOCATION IN NORTHERN HIGH PLAINS DESIGNATED GROUNDWATER BASIN.GIVEN THE OIL AND GAS LOCATION IS IN THE MIDDLE OF AN INTERMITTENT STREAM, ROSETTA'S BMP'S IS TO INSTALL DIVERSION BERMS ON THE SOUTH SIDE OF THE LOCATION. REGARDING THE ENTRANCE ROAD, INSTALL CULVERTS & BUILD UP THE ROAD WITH 8 TO 10 INCHES OF BASE WITH A CROWN FOLLOWING THE NATURAL FLOW OF THE LAND."

CA: _____ **Date:** _____

Wildlife BMPs:

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: 416299 Type: WELL API Number: 125-11793 Status: PR Insp. Status: PR

Producing Well

Comment: PR. Dec 2015 reported to COGCC database.

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:

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: **in drainage (see attached photos), large fenced location**
1003a. Waste and Debris removed? Pass
CM _____
CA _____ CA Date _____
Unused or unneeded equipment onsite? Pass
CM _____
CA _____ CA Date _____
Pit, cellars, rat holes and other bores closed? Pass
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? _____

Inspector Name: Sherman, Susan

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 _____

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|------------------------------------|
| Waddles | | Berms | Pass | | | berm at top of hill on access road |
| Compaction | Pass | Compaction | Pass | | | |
| Gravel | Pass | Gravel | Pass | | | |

S/A/V: SATISFACTOR

Corrective Date: _____

Y

Comment: Access road maintained per inspection #668601051.
Waddles observed south of the fenced location.

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 |
|--------------|--------------------------|---|
| 673712851 | Agusutus Deterding 31-02 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3801676 |