

**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:

03/14/2016

Document Number:

673712900

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	235877	317077	Sherman, Susan	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10495Name of Operator: LILIS ENERGY INCAddress: 216 16TH STREET STE 1350City: DENVER State: CO Zip: 80202

- ☐ 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
Young, Rob		rob.young@state.co.us	COGCC Environmental
Sutphin, Dirk		dirk.sutphin@state.co.us	COGCC Engineer
Nanke, Kevin	(303) 618-4507	knanke@lilisenergy.com	

Compliance Summary:QtrQtr: SWNE Sec: 29 Twp: 1N Range: 53W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
09/23/2015	678200312	SI	SI	ACTION REQUIRED			No
09/15/2009	200218827	PR	PR	SATISFACTORY			No
01/24/2008	200125573	PR	PR	SATISFACTORY			No
07/10/2007	200115824	PM	SI	ACTION REQUIRED		Fail	Yes
11/05/2003	200047133	PR	PR	SATISFACTORY		Pass	No
09/16/2003	200044192	PR	PR	ACTION REQUIRED		Fail	Yes
05/21/2003	200039645	PR	PR	ACTION REQUIRED		Fail	Yes

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
101044	PIT	AC	09/23/1999		-	PIEPER	AC	<input type="checkbox"/>
101045	PIT	AC	09/23/1999		-	PIEPER	AC	<input type="checkbox"/>
101046	PIT	AC	09/23/1999		-	PIEPER	AC	<input type="checkbox"/>
101047	PIT	AC	09/23/1999		-	PIEPER	AC	<input type="checkbox"/>
235877	WELL	SI	05/15/2013	OW	121-08367	PIEPER LEO 3-29	SI	<input checked="" 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

Lease Road:				
Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	ACTION REQUIRED		Maintain access road up hill to well and up hill from CR 32 gate.	04/18/2016

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
CONTAINERS	ACTION REQUIRED		Install sign to comply with rule 210.	04/18/2016
TANK LABELS/PLACARDS	SATISFACTORY			
BATTERY	SATISFACTORY			
WELLHEAD	SATISFACTORY	on ground		

Emergency Contact Number (S/AR): ACTION Corrective Date: 04/18/2016

Comment: _____

Corrective Action: Update emergency contact number.

Good Housekeeping:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
OTHER	ACTION REQUIRED	No maintenance done in some time. Equipment falling on ground or tipped over (see attached photos).	Maintain location.	04/18/2016

Spills:				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Truck Loadout	<= 1 bbl	Remove or remediate stained soil at truck loadout.	04/18/2016
Crude Oil	WELLHEAD	<= 1 bbl	Remove or remediate stained soils at wellhead.	04/18/2016

☐ Multiple Spills and Releases?

Fencing/:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK BATTERY	SATISFACTORY	barbed wire		
WELLHEAD	ACTION REQUIRED	hog panels	Maintain fence around wellhead.	04/18/2016
OTHER	SATISFACTORY	VHT		

Equipment:			
Type: Bird Protectors	# 1	Satisfactory/Action Required:	
Comment	on VHT, on ground, not in operation		
Corrective Action		Date:	
Type: Prime Mover	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment	electric motor		
Corrective Action		Date:	
Type: Pump Jack	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment			
Corrective Action		Date:	
Type: Ancillary equipment	# 3	Satisfactory/Action Required:	ACTION REQUIRED
Comment	electric panel, 2 chemical containers-1 blown over		
Corrective Action	Maintain chemical container.	Date:	4/18/2016
Type: Vertical Heater Treater	# 1	Satisfactory/Action Required:	
Comment	shed, bermed, GPS 40.02669, -103.32694, concrete pad		
Corrective Action		Date:	

Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____
Contents	#	Capacity	Type
CRUDE OIL	2	500 BBLS	STEEL AST
SE GPS	40.027003,-103.326997		
S/AR	SATISFACTORY	Comment:	bolted tanks
Corrective Action:			Corrective Date:
Paint			
Condition	Adequate		
Other (Content)	_____		
Other (Capacity)	_____		
Other (Type)	_____		
Berms			
Type	Capacity	Permeability (Wall)	Permeability (Base)
Earth	Inadequate	Walls Insufficient	Base Sufficient
Maintenance	Inadequate		
Corrective Action	Maintain tank berms to achieve containment of largest tank volume plus precipitation.		Corrective Date
Comment	tank berms weathered down and erosion caused a breach in berm on the SE cor of tank battery		

Venting:	
Yes/No	
Comment	

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

Predrill

Location ID: 235877

Site Preparation:

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

S/AR: _____

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

Form 2A COAs:

S/AR: SATISFACTORY Comment: No COAs.

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: 235877 Type: WELL API Number: 121-08367 Status: SI Insp. Status: SI

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

S/A/V: _____ CA Date: 03/30/2016

CA: Contact COGCC Area Engineer in 10 days.

Comment: Shut in since Jan 2013 and not data reported to COGCC database since Nov 2014.

Environmental**Spills/Releases:**

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

Comment: _____

Inspector Name: Sherman, Susan

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: pasture, cutbank to the west of well, unnamed drainage between well and tank battery, stressed vegetation down hill from wellhead observed

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? Pass

CM _____

CA _____ CA Date _____

Guy line anchors marked? Pass

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

Cropland

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

Inspector Name: Sherman, Susan

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
Gravel						
Compaction	Fail	Compaction	Pass	MHSP	Fail	

S/A/V: **ACTION REQUIRED**

Corrective Date: **04/18/2016**

Comment: **Access roads rutted and eroding. Erosion rills at tank battery near VHT and pits. Pit berms eroding into pasture. See attached photos.**

CA: **Install stormwater BMPs to minimize erosion, prevent transport of sediment offsite and prevent site degradation.**

Pits: ☐ NO SURFACE INDICATION OF PIT

Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 40.025940 Long: -103.326980**Lining:**

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:Fencing Type: Livestock Fencing Condition: Adequate

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: NO 2+ feet Freeboard: _____Pit (S/A/V): SATISFACTOR Comment: southern pit, ~50'x100'

Corrective Action: _____ Date: _____

Pit Type: Skimming/Settling Lined: NO Pit ID: _____ Lat: 40.026600 Long: -103.327110**Lining:**

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:Fencing Type: Livestock Fencing Condition: Adequate

Comment: _____

Netting:Netting Type: Metal Grid Netting Condition: Gaps

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: YES 2+ feet Freeboard: _____Pit (S/A/V): ACTION Comment: southern skim pit, ~20'x20'Corrective Action: Contact COGCC EPS for pit remediation. Date: _____Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 40.026580 Long: -103.327220**Lining:**

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:Fencing Type: Livestock Fencing Condition: Adequate

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: YES 2+ feet Freeboard: _____Pit (S/A/V): ACTION Comment: stained oil on western pit sides and stained oil at skim pit pipe outfall, pit from skim pits, northern pit, ~50'x50'Corrective Action: Removed or remediate stained soil. Date: _____

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Pit Type: Produced Water Lined: NO Pit ID: _____ Lat: 40.026370 Long: -103.327050

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: Livestock Fencing Condition: Adequate

Comment: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: _____

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

Pit (S/A/V): SATISFACTOR Comment: middle pit, ~50'x50'

Corrective Action: _____ Date: _____

Pit Type: Skimming/Settling Lined: NO Pit ID: _____ Lat: 40.026650 Long: -103.327140

Lining:

Liner Type: _____ Liner Condition: _____

Comment: _____

Fencing:

Fencing Type: Livestock Fencing Condition: Adequate

Comment: _____

Netting:

Netting Type: Metal Grid Netting Condition: Gaps

Comment: _____

Anchor Trench Present: _____ Oil Accumulation: YES 2+ feet Freeboard: _____

Pit (S/A/V): ACTION Comment: northern skim pit, ~20'x20', stained soil on western side of pit indicated possible overtopping

Corrective Action: _____ Date: _____

COGCC Comments

Comment	User	Date
See inspection #678200312 for environmental corrective actions.	ShermaSe	03/15/2016

Attached Documents

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

Document Num	Description	URL
673712915	Lilis Pieper Leo 3-29 well and access road	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3809678
673712916	Lilis Pieper Leo 3-29 tank battery and pits	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3809679