

**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:

08/12/2016

Document Number:

673713768

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
Mah, Steven	(303) 894-2100	steven.mah@state.co.us	COGCC Enforcement
Ullwelling, Eric	(303) 951-7929	eulwelling@lilisenergy.com	
Nanke, Kevin	(303) 618-4507	knanke@lilisenergy.com	
Quint, Craig		craig.quint@state.co.us	COGCC FIU Supervisor
Harmony, Kent	(303) 501-6794	kharmony@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)
03/14/2016	673712900	SI	SI	AR			No
09/23/2015	678200312	SI	SI	<b>ACTION REQUIRED</b>			No
09/15/2009	200218827	PR	PR	SATISFACTORY			No
01/24/2008	200125573	PR	PR	SATISFACTORY			No
07/10/2007	200115824	PM	SI	<b>ACTION REQUIRED</b>		<b>Fail</b>	Yes
11/05/2003	200047133	PR	PR	SATISFACTORY		Pass	No
09/16/2003	200044192	PR	PR	<b>ACTION REQUIRED</b>		<b>Fail</b>	Yes
05/21/2003	200039645	PR	PR	<b>ACTION REQUIRED</b>		<b>Fail</b>	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
101045	PIT	AC	09/23/1999		-	PIEPER	AC
101046	PIT	AC	09/23/1999		-	PIEPER	AC
101047	PIT	AC	09/23/1999		-	PIEPER	AC

235877	WELL	SI	05/15/2013	OW	121-08367	PIEPER LEO 3-29	TA	<input checked="" type="checkbox"/>
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**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****Lease Road:**

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	ACTION REQUIRED	See attached photos.	Maintain access road from cattle guard to well.	04/18/2016

**Signs/Marker:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK LABELS/PLACARDS	SATISFACTORY			
BATTERY	SATISFACTORY			
CONTAINERS	ACTION REQUIRED	2 containers at wellhead	Install sign to comply with rule 210.	04/18/2016

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	Debris and trash, equipment not maintained.	Maintain equipment and cleanup debris.	04/18/2016

**Spills:**

Type	Area	Volume	Corrective action	CA Date
Crude Oil	WELLHEAD	<= 1 bbl	Remove or remediate stained soil at wellhead.	04/20/2016
Crude Oil	Truck Loadout	<= 1 bbl	Remove or remediate stained soil at truck loadout.	04/18/2016

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

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
TANK BATTERY	ACTION REQUIRED	Calves inside fence at tank battery.	Maintain fence.	09/16/2016
WELLHEAD	ACTION REQUIRED	panels down (see attached photos)	Maintain fence at wellhead.	04/18/2016
SEPARATOR	SATISFACTORY			

<b>Equipment:</b>			
Type: Pump Jack	# 1	Satisfactory/Action Required:	
Comment			
Corrective Action			Date:
Type: Ancillary equipment	# 3	Satisfactory/Action Required:	
Comment		electric panel, 2 chemical containers at wellhead	
Corrective Action	Maintain containers.		Date: 4/18/2016
Type: Bird Protectors	# 1	Satisfactory/Action Required:	
Comment		blow off	
Corrective Action			Date:
Type: Vertical Heater Treater	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment		Not in operation. Bermed, GPS 40.02669, -103.32694, concrete pad	
Corrective Action			Date:
Type: Prime Mover	# 1	Satisfactory/Action Required:	
Comment		electric motor, 9 electric poles from CR to well, meter not in place and wire disconnected (see attached photos)	
Corrective Action			Date:
Type: Deadman # & Marked	# 4	Satisfactory/Action Required:	ACTION REQUIRED
Comment		Markers not 4' per rule and landowners request.	
Corrective Action	Maintain deadmen at well.		Date: 9/16/2016

<b>Tanks and Berms:</b>		<input type="checkbox"/> New Tank	Tank ID: _____
Contents	#	Capacity	Type
CRUDE OIL	2	500 BBLS	STEEL AST
SE GPS	40.027010,-103.326990		
S/AR	SATISFACTORY	Comment:	bolted
Corrective Action:			Corrective Date:

<b>Paint</b>	
Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

<b>Berms</b>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate	Walls Insufficient	Base Sufficient	Inadequate
Corrective Action	Maintain tank battery berms. Tanks are empty per landowner. May still be tank bottoms present.			Corrective Date 04/18/2016
Comment				

<b>Venting:</b>	
Yes/No	
Comment	

<b>Flaring:</b>
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Inspector Name: Sherman, Susan

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

### **Predrill**

Location ID: 235877

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: TA

### **Complaint**

Comment: Complaint #200440055 8/11/2016

Inspector Sherman met Mr. Pieper at the referenced location the morning of 8/12/2016. Two previous inspections-#678200312 and #673712900, dated 9/23/2015 and 3/14/2016 respectfully, were completed on this location citing the land owners concerns and other concerns with actions required. Inspector Sherman observed that none of the previous actions required were addressed and this is documented on inspection #673713768. Fencing was down at the wellhead and the barbed wire fence at the pits and tank battery require maintenance. The cattle guard is full from sediment being transported down the access road. The access road is rutted and quite deep on the SE corner of the pit location and up the hill to the well. Several side tracks are formed. Trash and debris were observed on the ground around the wellhead and at the tank battery.

**Idle Well**Purpose: ☐ Shut In☒ Temporarily Abandoned

Reminder: \_\_\_\_\_

S/A/V: \_\_\_\_\_

CA Date: **03/30/2016**

CA: \_\_\_\_\_

Comment: **Prime mover is electric and electric lines are not connected. Contact COGCC Engineering within 10 days for well status update.****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: \_\_\_\_\_

**Complaint:**

Tracking Num	Category	Assigned To	Description	Incident Date
200440055	FENCING	Quint, Craig	Fencing around the equipment, pits, and battery is in poor condition. Today two calves were in the tank battery fencing. The access road has poor drainage which causes the cattle guard to fill with sediment and makes it so cattle will walk right over it.	08/11/2016
200440055	ROADS	Quint, Craig	The access road is poorly maintained. In some areas the road became so rutted and unusable that the trucks just moved over and made new tracks.	08/11/2016
200440055	TRASH	Quint, Craig	Workers have left trash, equipment, t-posts on the location. Landowner has cleaned up some trash on his own.	08/11/2016

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, cow/calf operation**1003a. Waste and Debris removed? Pass

CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Unused or unneeded equipment onsite? Pass

Inspector Name: Sherman, Susan

CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Pit, cellars, rat holes and other bores closed? Pass  
CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Guy line anchors marked? \_\_\_\_\_  
CM Marker not 4'  
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 \_\_\_\_\_

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 ☐

Inspector Name: Sherman, Susan

<b>Storm Water:</b>						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Compaction	Fail	Compaction	Fail	Material Handling And Spill Prevention	Fail	
Berms	Pass					on access road hill to cattle guard

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

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

Comment: **Erosion north of well and access road are eroded with no maintenance observed.**

CA: **Maintain stormwater BMPs on location and access road (see attached photos).**

**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: Inadequate

Comment: \_\_\_\_\_

**Netting:**

Netting Type: \_\_\_\_\_ Netting Condition: \_\_\_\_\_

Comment: \_\_\_\_\_

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

Pit (S/A/V): SATISFACTOR Comment: **~50'x100', southern produced water pit, only 4 pits permitted for this location, there are 5 pits**

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_

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: Inadequate

Comment: \_\_\_\_\_

**Netting:**

Netting Type: \_\_\_\_\_ Netting Condition: \_\_\_\_\_

Comment: \_\_\_\_\_

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

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

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: Inadequate

Comment:

**Netting:**

Netting Type: Mesh 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: Submit Form 27 per inspection #678200312.

Date: 10/16/2015

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

**Lining:**

Liner Type: Liner Condition:

Comment:

**Fencing:**

Fencing Type: Fencing Condition:

Comment:

**Netting:**

Netting Type: Mesh Netting Condition: Gaps

Comment:

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

Pit (S/A/V): ACTION Comment: northern skim pit, ~20'x20'

Corrective Action: Submit Form 27 per inspection #678200312.

Date: 10/16/2015

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: Inadequate

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', vegetation below pit is stressed (see attached photos).

Corrective Action: Remove or remediate stained soil in pit. Contact COGCC EPS within 10 days.

Date: 08/26/2016

**COGCC Comments**



Comment	User	Date
<a href="#">Complaint #200440055 inspection.</a> <a href="#">Inspection #678200312 required a Form 27 be submitted to close 2 covered, unlined skim pits by 10/16/2015.</a>	ShermaSe	08/13/2016

**Attached Documents**

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

Document Num	Description	URL
673713768	INSPECTION APPROVED	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3927712">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3927712</a>
673713769	Lilis Pieper Leo 3-29 Complaint	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3927711">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3927711</a>