

**FORM
INSP**Rev
X/15**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:

11/08/2016

Submitted Date:

11/09/2016

Document Number:

682600232**FIELD INSPECTION FORM**

Loc ID 443255 Inspector Name: Kosola, Jason On-Site Inspection ☐ 2A Doc Num: _____

Operator Information:OGCC Operator Number: 10412Name of Operator: AUS-TEX EXPLORATION INCAddress: 113 N SANTA FECity: FLORENCE State: CO Zip: 81226**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**8 Number of Comments4 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

| Contact Name | Phone | Email | Comment |
|---------------|---------------------------|--------------------------------|---------------------------------|
| Axelson, John | | john.axelson@state.co.us | |
| Akrad, Ola | (303) 233-2232 | OAKrad@austinexploration.com | |
| Harkins, Liz | 303-233-2232/719-429-4513 | Lharkins@austinexploration.com | All Inspections |
| Goss, Aaron | 303-233-2232/303-495-0327 | AGoss@austinexploration.com | All Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 443256 | WELL | PR | | LO | 043-06229 | Magellan #1 | EI |

General Comment:[This is an environmental inspection. Any corrective actions from previous inspections that have not been addressed are still applicable.](#)

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: Overall Good: ☐**Spills:**

| Type | Area | Volume | | |
|------|------|--------|--|--|
|------|------|--------|--|--|

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Tanks and Berms:**

| Contents | # | Capacity | Type | Tanak ID | SE GPS |
|-----------|---|----------|-----------|----------|-----------------------|
| CRUDE OIL | 1 | | STEEL AST | | 38.313865,-105.148236 |

Comment: No label on tanks on location. No secondary containment berm around tanks (see attached photos).

Corrective Action: Install sign to comply with Rule 210.d.
Repair or install berms or other secondary containment devices per Rule 605.a.(4).

Date: 12/08/2016

Paint

| | | |
|------------------|----------|--|
| Condition | Adequate | |
| Other (Content) | | |
| Other (Capacity) | | |
| Other (Type) | | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|----------|---------------------|---------------------|-------------|
| | | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

Venting:

| | | |
|--------------------|--|-------|
| Yes/No | | |
| Comment: | | |
| Corrective Action: | | Date: |

Flaring:

| | | |
|--------------------|--|-------|
| Type | | |
| Comment: | | |
| Corrective Action: | | Date: |

Reclamation - Storm Water - Pit**Storm Water:**

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

Comment: Stormwater management BMP's not present on soil stockpiles (see attached pictures).

Corrective Action: Install or repair required BMPs per Rule 1002.f. Refer to the 1002.f guidance document for further details.

Date: 12/08/2016

Pits: ☐ NO SURFACE INDICATION OF PIT

Type: Drilling Pit Lined: YES Pit ID: Lat: 38.313675 Long: -105.147971

Reference Point: SE Other: Length: 40 Width: 15

Lining:

Liner Type: Liner Condition: Adequate

Comment:

Corrective Action

Date: c

Fencing:

Fencing Type: Netting/Fence com Fencing Condition: Adequate

Comment:

Corrective Action

Date:

Netting:

Netting Type: Netting Condition:

Comment: Oil on pit (see attached pictures). Per Rule 902.c. skim pits must be netted. Operator shall install netting or remove oil from pit.

Corrective Action

Net or fence pit to prevent access per rule 902.d.

Date: 11/16/2016

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

Comment: Pit does not have two feet of freeboard and is covered in oil (see attached pictures).

Corrective Action

Lower fluid level so at least two feet of freeboard exists per Rule 902.b.
Remove oil from pit per Rule 902.c.

Date: 11/10/2016

COGCC Comments

| Comment | User | Date |
|--|---------|------------|
| Well is hooked up to flare (see attached pictures). Operator shall ensure that flaring is compliant with COGCC regulations. If flaring is to continue after flowback operator shall comply with Rule 912.b. Drilling pit shall be closed in accordance with Rule 1003.d.(2). Operator shall ensure that soils meet the concentration levels of Table 910-1. | kosolaj | 11/09/2016 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 682600232 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3998433 |

| | | |
|-----------|-------------------|---|
| 682600233 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3998406 |
|-----------|-------------------|---|

