

**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:

12/19/2013

Document Number:

670201062

Overall Inspection:

Unsatisfactory**FIELD INSPECTION FORM**

| | | | | | |
|---------------------|-------------|--------|-----------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | 421237 | 420191 | BURGER, CRAIG | <input type="checkbox"/> | |

Operator Information:

OGCC Operator Number:

Name of Operator: AXIA ENERGY LLCAddress: 1430 LARIMER STREET #400City: 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 |
|-----------------|----------------|----------------------------|---------------------------|
| Holder, Jerry | (970) 261-0218 | jholder@axiaenergy.com | Production Superintendent |
| Kellerby, Shaun | | Shaun.Kellerby@state.co.us | NW Field Supervisor |
| SHARP, DON | | don.sharp@state.co.us | |

Compliance Summary:QtrQtr: SENE Sec: 14 Twp: 9S Range: 95W**Inspector Comment:**Permits for undrilled wells API#'s 077-10145, 10147 and 10148 expired January 2013. Status is still xx.**Related Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|--------------|--------|-------------|------------|-----------|-------------------------------|-------------|-------------------------------------|
| 420190 | WELL | PR | 01/28/2012 | GW | 077-10124 | Kimball Creek 14-406D-995 | PR | <input type="checkbox"/> |
| 420542 | WELL | PR | 01/21/2012 | GW | 077-10137 | Kimball Creek 11-416D-995 | PR | <input type="checkbox"/> |
| 421237 | WELL | XX | 01/21/2011 | LO | 077-10145 | Kimball Creek Fed 12-114D-995 | AL | <input checked="" type="checkbox"/> |
| 421257 | WELL | XX | 01/21/2011 | LO | 077-10147 | Kimball Creek Fed 13-112D-995 | AL | <input checked="" type="checkbox"/> |
| 421329 | WELL | XX | 01/27/2011 | LO | 077-10148 | Kimball Creek Fed 13-104D-995 | AL | <input checked="" type="checkbox"/> |
| 427688 | TANK BATTERY | AC | 10/31/2010 | | - | Kimball Creek 14-2D1-995 | AC | <input type="checkbox"/> |

Equipment:**Location Inventory**

| | | | |
|------------------------------|-------------------------|----------------------|--------------------------|
| Special Purpose Pits: _____ | Drilling Pits: <u>1</u> | Wells: <u>22</u> | Production Pits: _____ |
| Condensate Tanks: <u>2</u> | Water Tanks: <u>2</u> | Separators: <u>2</u> | Electric Motors: _____ |
| Gas or Diesel Mortors: _____ | Cavity Pumps: _____ | LACT Unit: _____ | Pump Jacks: _____ |
| Electric Generators: _____ | Gas Pipeline: <u>1</u> | Oil Pipeline: _____ | Water Pipeline: <u>2</u> |
| Gas Compressors: _____ | VOC Combustor: <u>1</u> | Oil Tanks: _____ | Dehydrator Units: _____ |
| Multi-Well Pits: _____ | Pigging Station: _____ | Flare: _____ | Fuel Tanks: _____ |

Location

Emergency Contact Number: (S/U/V) _____

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

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

☐ Multiple Spills and Releases?**Venting:**

| Yes/No | Comment |
|--------|---------|
| | |

Flaring:

| Type | Satisfactory/Unsatisfactory | Comment | Corrective Action | CA Date |
|------|-----------------------------|---------|-------------------|---------|
| | | | | |

Predrill

Location ID: 421237

Site Preparation:

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

S/U/V: _____

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

Form 2A COAs:

| Group | User | Comment | Date |
|-------|-----------|--|------------|
| OGLA | kubeczkod | Location is in a sensitive area because of 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; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures sufficiently protective of nearby surface water. | 12/31/2010 |
| OGLA | kubeczkod | Location is in a sensitive area because of proximity to a domestic water well and shallow groundwater; therefore any pits constructed to hold fluids (i.e., production pit, frac pit, reserve pit) must be lined. | 08/27/2010 |
| OGLA | kubeczkod | Any pit that hold fluids (i.e., production pit, frac pit, reserve pit), if constructed, must be lined. | 12/31/2010 |
| OGLA | kubeczkod | Operator must implement best management practices to contain any unintentional release of fluids. | 12/31/2010 |
| OGLA | kubeczkod | Location is in a sensitive area because of 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; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures sufficiently protective of nearby surface water. | 08/27/2010 |

Inspector Name: BURGER, CRAIG

| | | | |
|------|-----------|---|------------|
| OGLA | kubeczkod | Location is in a sensitive area because of proximity to a domestic water well and shallow groundwater; therefore either a lined drilling pit or closed loop system (which Axia has already indicated on the Form 2A) must be implemented. | 08/27/2010 |
| OGLA | kubeczkod | Operator must implement best management practices to contain any unintentional release of fluids. | 08/27/2010 |
| OGLA | kubeczkod | Location is in a sensitive area because of proximity to a domestic water well and shallow groundwater; therefore either a lined drilling pit or closed loop system (which Axia has already indicated on the Form 2A) must be implemented. | 12/31/2010 |
| OGLA | kubeczkod | Location is in a sensitive area because of proximity to a domestic water well and shallow groundwater; therefore any pits constructed to hold fluids (i.e., production pit, frac pit, reserve pit) must be lined. | 12/31/2010 |
| OGLA | kubeczkod | The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1. | 12/31/2010 |

S/U/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

S/U/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

Inspector Name: BURGER, CRAIG

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 421237 | Type: | WELL | API Number: | 077-10145 | Status: | XX | Insp. Status: | AL |
| Facility ID: | 421257 | Type: | WELL | API Number: | 077-10147 | Status: | XX | Insp. Status: | AL |
| Facility ID: | 421329 | Type: | WELL | API Number: | 077-10148 | Status: | XX | Insp. Status: | AL |

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: **Interim reclamation not performed.**

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 _____

Inspector Name: BURGER, CRAIG

- 1003b. Area no longer in use? Fail 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 Fail

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

S/U/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT