

**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:

02/13/2019

Submitted Date:

02/13/2019

Document Number:

688401308**FIELD INSPECTION FORM**

Loc ID 327177 Inspector Name: Silver, Randy On-Site Inspection ☐ 2A Doc Num: _____

Operator Information:OGCC Operator Number: 10662Name of Operator: NANKE ENERGY LLCAddress: 2440 RANCH RESERVE RDGCity: WESTMINSTER State: CO Zip: 80234**Status Summary:**

- ☒ THIS IS A FOLLOW UP INSPECTION
☒ FOLLOW UP INSPECTION REQUIRED
☐ NO FOLLOW UP INSPECTION REQUIRED

Findings:11 Number of Comments7 Number of Corrective Actions☒ Corrective Action Response Requested

**ANY CORRECTIVE ACTION(S) FROM
PREVIOUS INSPECTIONS THAT HAVE NOT
BEEN ADDRESSED ARE STILL APPLICABLE**

Contact Information:

| Contact Name | Phone | Email | Comment |
|----------------|----------------|----------------------------------|---------|
| Nanke, Kevin | (303) 618-4507 | knanke@lilisenergy.com | |
| | | knanke@comcast.net | |
| Pesicka, Conor | | conor.pesicka@state.co.us | |
| Gomez, Jason | | jason.gomez@state.co.us | |
| | | dnr_cogccengineering@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 246475 | WELL | PR | 01/01/2018 | OW | 123-14272 | SAWYER 32-2 | SI |

General Comment:

LocationOverall Good: ☒

| | | | |
|----------------------|---|-------|------------|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | Sign not posted or information inaccurate at well(s) or battery | | |
| Corrective Action: | Install sign to comply with Rule 210.b. | Date: | 01/13/2018 |
| Type | BATTERY | | |
| Comment: | Sign not posted or information inaccurate at well(s) or battery | | |
| Corrective Action: | Install sign to comply with Rule 210.b. | Date: | 01/13/2018 |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: Sign not posted or information inaccurate at well(s) or battery. One number is not a working number. Other number on sep goes to the voicemail of George Bergger.

Corrective Action: Install sign to comply with Rule 210.b.

Date: 01/13/2018

Good Housekeeping:

| | | | |
|--------------------|---|-------|------------|
| Type | OTHER | | |
| Comment: | Review of monthly operations records indicate operator is delinquent in submitting monthly operations reports | | |
| Corrective Action: | Submit required Form 7(s) to COGCC per rule 309 | Date: | 03/13/2019 |
| Type | OTHER | | |
| Comment: | 2" piping appears to be leaking inside separator | | |
| Corrective Action: | Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d. | Date: | 03/13/2019 |
| Type | OTHER | | |
| Comment: | stained soil inside separator building | | |
| Corrective Action: | Non E&P Waste not properly stored, handled, transported, treated, or disposed per Rule 907A | Date: | 03/13/2019 |
| Type | OTHER | | |
| Comment: | Stained soil around PU base, exhaust pipe and WH | | |
| Corrective Action: | Non E&P Waste not properly stored, handled, transported, treated, or disposed per Rule 907A | Date: | 10/29/2018 |

Overall Good: ☐

| | | | |
|--|------|--------|--|
| Spills: | | | |
| Type | Area | Volume | |
| In Containment: No | | | |
| Comment: <input type="text"/> | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | |

Inspected FacilitiesFacility ID: 246475 Type: WELL API Number: 123-14272 Status: PR Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____Comment: SI

Corrective Action: _____ Date: _____

BradenHeadComment: Appears to be plumbed to surface

Corrective Action: _____ Date: _____

COGCC Comments

| Comment | User | Date |
|--|---------|------------|
| This is a follow up inspection per Doc#'s 688400910, 688400304 and 677400210. All corrective actions have not been addressed at time of inspection. Stained soil appears to have been covered up with gravel. Inspector dug down below surface to see what appears to be stained soil. Weeds were removed at time of inspection. Well has not shown production records since March of 2018. Well is shut in at time of inspection. | silverr | 02/13/2019 |

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 401938349 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4733315 |
| 688401309 | loc pic | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4733309 |