

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:
08/16/2016
Document Number:
673403513
Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

| | | | | | |
|---------------------|---------------|---------------|-----------------------|--------------------------|-------------|
| Location Identifier | Facility ID | Loc ID | Inspector Name: | On-Site Inspection | 2A Doc Num: |
| | <u>223168</u> | <u>312984</u> | <u>Waldron, Emily</u> | <input type="checkbox"/> | |

Operator Information:

OGCC Operator Number: 3975
Name of Operator: ARGALI EXPLORATION COMPANY
Address: 138 PINYON CIR
City: RANGELY State: CO Zip: 81648

- 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 |
|----------------|----------------|---------------------------|---------|
| hinaman, gary | (970) 675-8257 | hinaman@lexry.com | |
| Ikenouye, Teri | | teri.ikenouye@state.co.us | |

Compliance Summary:

QtrQtr: NESW Sec: 31 Twp: 8N Range: 90W

| Insp. Date | Doc Num | Insp. Type | Insp Status | Satisfactory /Action Required | PA P/F/I | Pas/Fail (P/F) | Violation (Y/N) |
|------------|-----------|------------|-------------|-------------------------------|----------|----------------|-----------------|
| 10/16/2015 | 673402549 | PR | PR | SATISFACTORY | | | No |
| 06/15/2011 | 200320154 | PR | PR | SATISFACTORY | | | No |
| 01/13/2000 | 200005537 | PR | PR | SATISFACTORY | | Pass | No |
| 07/07/1999 | 500154621 | PR | PR | | | Pass | No |

Inspector Comment:

Related Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status | |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|-------------------------------------|
| 223168 | WELL | PR | 12/10/1982 | GW | 081-06530 | SCHIECK 11-31 | PR | <input checked="" type="checkbox"/> |

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

| Signs/Marker: | | | | |
|----------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| BATTERY | SATISFACTORY | | | |
| TANK LABELS/PLACARDS | SATISFACTORY | | | |
| WELLHEAD | SATISFACTORY | | | |

Emergency Contact Number (S/AR): SATISFACTORY Corrective Date: _____

Comment: 970-625-8257

Corrective Action: _____

| Good Housekeeping: | | | | |
|---------------------------|------------------------------|--|---|------------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| WEEDS | | Annual weeds on location. | Comply with Rule 603.f using the Rule 603.f guidance document for further details. | 08/26/2016 |

| Spills: | | | | |
|--|------|--------|-------------------|---------|
| Type | Area | Volume | Corrective action | CA Date |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |

| Fencing/: | | | | |
|------------------|------------------------------|---------|-------------------|---------|
| Type | Satisfactory/Action Required | Comment | Corrective Action | CA Date |
| PIT | SATISFACTORY | | | |

| Equipment: | | | | |
|-----------------------------------|-----|--|--|-------|
| Type: Horizontal Heated Separator | # 1 | Satisfactory/Action Required: SATISFACTORY | | |
| Comment | | | | |
| Corrective Action | | | | Date: |
| Type: Gas Meter Run | # 1 | Satisfactory/Action Required: SATISFACTORY | | |
| Comment | | | | |
| Corrective Action | | | | Date: |
| Type: Plunger Lift | # 1 | Satisfactory/Action Required: SATISFACTORY | | |
| Comment | | | | |
| Corrective Action | | | | Date: |
| Type: Bird Protectors | # | Satisfactory/Action Required: SATISFACTORY | | |
| Comment | | | | |
| Corrective Action | | | | Date: |

| Tanks and Berms: | | | | |
|-----------------------------------|--------------|----------------|-----------|------------------------|
| <input type="checkbox"/> New Tank | | Tank ID: _____ | | |
| Contents | # | Capacity | Type | SE GPS |
| CONDENSATE | 1 | 100 BBLS | STEEL AST | 40.605760, -107.536740 |
| S/AR | SATISFACTORY | Comment: | | |
| Corrective Action: | | | | Corrective Date: |

Paint

Inspector Name: Waldron, Emily

| | | | | |
|-------------------|--|---------------------|---------------------|----------------------------|
| Condition | Adequate | | | |
| Other (Content) | _____ | | | |
| Other (Capacity) | _____ | | | |
| Other (Type) | _____ | | | |
| Berms | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Earth | Inadequate | | | Inadequate |
| Corrective Action | Repair or install berms or other secondary containment devices per Rule 605.a.(4). | | | Corrective Date 09/16/2016 |
| Comment | Berm is low and has weeds growing in it. | | | |

Venting:

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

Flaring:

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

Predrill

Location ID: 223168

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

S/AR: _____

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

Form 2A COAs:

S/AR: _____ Comment: _____

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: 223168 Type: WELL API Number: 081-06530 Status: PR Insp. Status: PR

Producing Well

Comment: No production reported since November 2015.

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: _____

Comment: _____

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? _____

CM _____

CA _____ CA Date _____

Guy line anchors marked? _____

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 _____

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

S/A/V: SATISFACTORY _____ Corrective Date: _____

Comment: No apparent soil migration; erosion or soil movement.

CA: _____

Pits: NO SURFACE INDICATION OF PIT