

**FORM
INSP**

Rev
X/20

**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:

09/28/2022

Submitted Date:

10/05/2022

Document Number:

702800772

FIELD INSPECTION FORM

Loc ID 313195 Inspector Name: O'Malley, Anna On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

OGCC Operator Number: 3975
Name of Operator: ARGALI EXPLORATION COMPANY
Address: PO BOX 416
City: RANGELY State: CO Zip: 81648

Findings:

- 12 Number of Comments
- 5 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 |
|---------------|-------|------------------------------------|---------------------------------|
| Jeffrey, Carl | | jbrduco@yahoo.com | All Inspections |
| , | | argaliexplorationcompany@gmail.com | General Contact |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|----------------------------|-------------|
| 272442 | WELL | SI | 08/27/2013 | GW | 081-07186 | FROSTY ACRES 1 | RI |
| 313195 | LOCATION | AC | | | - | FROSTY ACRES-68N90W 24NWNW | RI |

General Comment:

On 09/28/2022, Reclamation Specialist O'Malley conducted a reclamation and stormwater inspection at Argali Exploration Company's Frosty Acres-68N90W /24NWNW Location #313195 in Moffat County, Colorado.

The following compliance issues were observed during this inspection:

- Well overdue for MIT
- Noxious Weeds
- Trash/debris/unused equipment
- Reclamation required on areas no longer in use

Refer to the "Location," "Inspected Facilities," "Reclamation," and "Stormwater" sections of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

A follow up inspection on this site will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

| Location | | | |
|--|---|--------|-------------------------|
| Overall Good: <input type="checkbox"/> | | | |
| Signs/Marker: | | | |
| Type | OTHER | | |
| Comment: | Sign posted off County road 18N at access road lists contact contact numbers which are inaccurate. On 9/28/22 at 3:40 pm Inspector called the two numbers listed. One number was out of service. One number was answered by an individual who indicated they no longer work for the Operator. | | |
| Corrective Action: | | | Date: |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | <p>Previous inspection #702000259 observed incomplete tank label peeling. Inspector required Operator to install sign to comply with Rule 605.h by 7/18/2022.</p> <p>It was observed in this inspection that the previously observed tank label has been removed from the Location. The equipment previously associated with the tank remains. All unused equipment including but not limited to the riser/pipe, fencing and berm must be removed. See photos for remaining equipment.</p> <p>The former tank battery area must be reclaimed if no longer in use. Refer to the "Reclamation" section of this inspection report for corrective action.</p> | | |
| Corrective Action: | | | Date: |
| Emergency Contact Number: | | | |
| Comment: | <p>970-629-1906: Inspector called this number 10/5/2022 at 1:44 pm and reached the Operator who indicated this was the best number to call.</p> <p>970-629-2614: Inspector called this number 10/5/2022 at 1:44 pm and left a voicemail. The call has not been returned. Operator must be reachable at all times at the emergency contact number.</p> | | |
| Corrective Action: | | | Date: |
| Good Housekeeping: | | | |
| Type | DEBRIS | | |
| Comment: | <p>Previous inspection #702000259 observed equipment knocked over acting as debris. Inspector required Operator to comply with Rule 606 by 5/24/2022.</p> <p>It was observed in this inspection that knocked over tanks/equipment remain on location, without secondary containment and are acting as debris. Original corrective action and date remain applicable.</p> | | |
| Corrective Action: | Comply with Rule 606. | | Date: <u>05/24/2022</u> |
| Type | WEEDS | | |
| Comment: | <p>Previous inspection #702000259 observed noxious weeds on location. Inspector required Operator to comply with Rule 606 by 5/24/2022.</p> <p>It was observed in this inspection that noxious weeds are widespread on Location. Weeds have gone to seed. Weed skeletons will break off and become debris and must be removed per Rule 606. Original corrective action and date remain applicable.</p> <p>Ongoing weed management is required to prevent further establishment and spread of noxious weeds until location passes final reclamation.</p> | | |
| Corrective Action: | Comply with Rule 606 | | Date: <u>05/24/2022</u> |
| Overall Good: <input type="checkbox"/> | | | |
| Spills: | | | |
| Type | Area | Volume | |
| | | | |

In Containment: No

Comment:

Multiple Spills and Releases?

Venting:

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

Flaring:

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

Inspected Facilities

Facility ID: 272442 Type: WELL API Number: 081-07186 Status: SI Insp. Status: RI

Facility ID: 313195 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: Well has been shut-in since last MIT in 8/2013 and is overdue for MIT.
Well is overdue for Mechanical Integrity Test.
MIT requires 10-day notification via Form 42.
Well plugging requires an approved Form 6 Intent to Abandon to Plug Well.

Corrective action from inspection #702000259 remains applicable.

Corrective Action: Produce well after performing successful mechanical integrity test per Rule 417 or plug well. To maintain shut-in status, the well must be able to demonstrate ability to produce without mechanical intervention.

Date: 06/17/2022

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? Pass

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? Fail

Comment **Anchor markers in disrepair. Inspector could not find anchors. Anchor markers are acting as trash/debris.**

Corrective Action **Install proper guy line markers per Rule 1003.a or remove anchor marker trash/debris per Rule 606.**

Date **10/19/2022**

1003b. Area no longer in use? _____ Production areas stabilized ? Pass
 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? Pass 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 _____

1003e. INTERIM VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____
 TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? F

Comment Refer to the "Location" section of this inspection report for weed control corrective action.

The former tank site at the south of the Location is no longer in use; tank has been removed. This area now must be reclaimed and equipment must be removed, including riser/pipe (red arrow), fencing, etc.

Corrective Action Comply with 1003 Rules and conduct interim reclamation on unused areas at the south of the Location including, but not limited to: equipment removal, compaction alleviation (cross ripping to a minimum depth of 18 inches), recontouring/regrading, replacement of topsoil, and revegetation activities; use a seed mixture provided by the surface owner, or a mixture prescribed by the local soil conservation district. Implement control measures to stabilize the seeded soil in accordance with Rule 1002.f.(2)C.

Date 04/05/2023

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 _____

1004.d. FINAL VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

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

Comment:

Corrective Action:

Date: _____

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 702800774 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5879200 |