

**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:

10/31/2022

Submitted Date:

11/03/2022

Document Number:

702800875**FIELD INSPECTION FORM**Loc ID: 313040 Inspector Name: O'Malley, Anna On-Site Inspection: ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 3975

Name of Operator: ARGALI EXPLORATION COMPANY

Address: PO BOX 416

City: RANGELY State: CO Zip: 81648

Status Summary:☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**

18 Number of Comments

10 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
Neidel, Kris		kris.neidel@state.co.us	
Jeffrey, Carl		jbrduco@yahoo.com	All Inspections
Fischer, Alex		alex.fischer@state.co.us	
Kubeczko, Dave		dave.kubeczko@state.co.us	
,		argaliexplorationcompany@g mail.com	General Contact

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
223426	WELL	PR	06/01/2022	GW	081-06792	FEDERAL SANDWASH 2-1	RI
313040	LOCATION	AC			-	FEDERAL SANDWASH- 68N91W 1NWNE	RI

General Comment:

On 10/31/2022, Reclamation Specialist O'Malley conducted a reclamation and stormwater inspection at Argali Exploration Company's FEDERAL SANDWASH-68N91W/1NWNE Location #313040 in Moffat County, Colorado.

The following compliance issues were observed during this inspection:

- Unused tank
- Unused pipe equipment
- Trash/debris
- Methanol tank label inaccurate
- Wildlife protections on methanol tank secondary containment missing/insufficient
- Noxious weeds
- Decommissioning of facilities without Form 27 Site Investigation and Remediation Workplan
- Anchor marker in disrepair
- Stormwater: erosion of unstabilized, bare soils

Refer to the "Location," "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.

LocationOverall Good: ☐**Signs/Marker:**

Type	WELLHEAD		
Comment:	Wellhead sign must comply with Rule 605.d(2) when no associated tank battery is present at the Oil and Gas Location. It was observed in this inspection that the wellhead sign does not comply with Rule 605; well sign lacks the API number, telephone number at which the Operator can be reached at all times, telephone number for local emergency services (911 where available) and the public road used to access the well.		
Corrective Action:	Comply with Rule 605.d	Date:	12/03/2022
Type	CONTAINERS		
Comment:	Inspection #689801634 observed container labeled with 500 BBL capacity. Inspector required Operator to install sign to comply with Rule 210.d (now 605.g) by 10/12/2018. It was observed in this inspection that labeling on the methanol tank at the northwest of the Location is inaccurate; tank capacity reads 500 BBLS. Tank labels have not been maintained/are inaccurate. Original corrective action and date remain applicable.		
Corrective Action:	Install sign to comply with Rule 605.g	Date:	10/12/2018

Emergency Contact Number:

Comment:	(970) 629-1906, (970) 629-2614		
Corrective Action:		Date:	

Good Housekeeping:

Type	TRASH		
Comment:	A variety of equipment parts (now trash) are scattered around the Location, particularly at the wellhead.		
Corrective Action:	Comply with Rule 606.	Date:	11/10/2022
Type	WEEDS		
Comment:	Bull and Canada thistle (List B Noxious Weeds) are found throughout the Location, particularly on the fill slope and eastern portions of the Location. Weed management is required in the 2023 growing season. Ongoing weed management is required.		
Corrective Action:	Conduct weed management to prevent further establishment and spread of noxious weeds; ongoing weed management required until location passes final reclamation.	Date:	05/01/2023
Type	STORAGE OF SUPL		
Comment:	It was observed in this inspection that an unlabeled tank is present at the northeast of the Location. Tank does not appear to be in use and the tank walls are degraded, with holes. Unused tank must be removed per Rule 606. Inspector observed no Form 4 Sundry or amended 2A for the addition of the tank to the Location. Operator must remove unused tank or contact area Oil and Gas Location Assessment Specialist for approval of additional equipment if tank is in use.		
Corrective Action:	- Comply with Rule 606; remove tank. Or - Contact area OGLA Specialist	Date:	11/18/2022
Type	OTHER		
Comment:	Previous inspection #689806402 observed plastic tank at wellhead knocked over. Inspector required Operator to maintain equipment or remove in accordance with Rule 606. It was observed in this inspection that the previously observed tank has been removed from the Location. This corrective action has been addressed.		
Corrective Action:		Date:	

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment:

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

			corrective date
Type: Other	#		
Comment:	Pipe at the southwest of the Location, at the produced water tank facility remains. Pipe is now unused equipment and must be removed per Rule 606.		
Corrective Action:	Comply with Rule 606.		Date: 11/18/2022
Type: Other	#		
Comment:	Wildlife protection devices are missing or insufficient to prevent wildlife from entering the methanol tank secondary containment device.		
Corrective Action:	Install or repair wildlife protection equipment.		Date: 11/08/2022

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities									
Facility ID:	223426	Type:	WELL	API Number:	081-06792	Status:	PR	Insp. Status:	RI
Facility ID:	313040	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	RI

Environmental**Spill/Remediation:**

Comment: It was observed in this inspection that the Operator appears to have decommissioned two facilities on the Location. A partially buried vessel, labeled as produced water at the northeast of the Location has been removed. A tank facility labeled as produced water at the southwest of the Location has been removed. Per Rule 911.a Operator must close all Oil and Gas Facilities in accordance with an approved Form 27.

Operator must contact Northwest Area Environmental Protection Specialist for Form 27 direction within 10 days. Operator must submit a Form 27 within 30 days.

Corrective Action: Corrective Action #1: Contact Northwest Area EPS for Form 27 direction by 11/13/2022.

Date: 11/13/2022

Corrective Action #2: Submit a Form 27 Site Investigation and Remediation Workplan by 12/3/2022.

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: _____

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 [Waste and debris present. Refer to the "Location" section.](#)

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment [Unused equipment present. Refer to the "Location" section.](#)

Corrective Action _____

Date _____

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

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? FailComment [Anchor marker observed to be in disrepair.](#)Corrective Action [Install proper guy line markers per Rule 1003.a.](#)Date **11/17/2022**

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? _____ In _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ Pass _____ 80% Revegetation _____ In _____

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.

It was observed in this inspection that two facilities have been decommissioned at the northeast and southwest of the Location. Areas no longer necessary for production operations at the northeast and southwest are subject to 1003 Interim Reclamation requirements. Prior to conducting Interim Reclamation Operator must demonstrate compliance with 915-1 standards. Refer to the "Environmental" section of this report. Upon compliance with 915-1 standards interim reclamation is required.

Previously reclaimed areas are vegetated with native and introduced perennial grasses (intermediate and western wheatgrass).

Corrective Action _____ Date _____

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: Insufficient stormwater and sediment control BMPs in place; erosion of bare unprotected soils is occurring at the southwest of the Location where the produced water tank was removed. Control measures to stabilize unprotected soils and mitigate site degradation and offsite sediment transport are missing or insufficient.

Corrective Action: Install or repair required BMPs per Rule 1002.f. Continue to monitor and manage stormwater on the Location. Ongoing stormwater management is required until the site receives a passing final inspection.

Date: 12/03/2022

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
403218373	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5904902
702800876	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5904901