

**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:

05/15/2024

Submitted Date:

05/15/2024

Document Number:

715500033

FIELD INSPECTION FORMLoc ID 312984 Inspector Name: Burchett, Kirby On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

ECMC 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:

19 Number of Comments

7 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 |
|---------------|----------------|------------------------------------|---------|
| Rector, Jeff | (970) 629-2614 | jbrduco@yahoo.com | |
| , Inspections | | argaliexplorationcompany@gmail.com | |
| Rector, Brian | (970) 629-1906 | brector1983@gmail.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 116598 | PIT | AC | 09/23/1999 | | - | SCHIECK 11-31 | AC |
| 223168 | WELL | PR | 12/01/2023 | GW | 081-06530 | SCHIECK 11-31 | PR |

General Comment:**ECMC Inspection Report Summary**

On Wednesday, 05/15/2024, Inspector Kirby Burchett, conducted a routine field inspection at Argali Exploration Company on the Schieck 11-31 well, Location #312984, in Moffat County, Colorado.

This location is within or in close proximity to Parks and Wildlife (CPW) District with High Priority, NSO, Density and Other Consultation Habitat regulations.

Any Corrective Actions from previous Inspections are still applicable.

While there during normal operations the following compliance issues were observed:

1. Random debris.
2. Unused equipment.
3. Riser missing protective cap.
4. Production pit open to wildlife.
5. High amount of water in pit adjoining natural drainage area.
6. Condensate tank lacking containment adjacent to drainage area.

Refer to Inspection Photos for observed compliance issues.

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

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

| | | | |
|--------------------|--|-------|------------|
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | CONTAINERS | | |
| Comment: | Methanol tank label illegible | | |
| Corrective Action: | Containers that are used to store, treat, or otherwise handle a hazardous material and which are required to be marked, placarded, or labeled in accordance with the U.S. Department of Transportation's Hazardous Materials Regulations, will retain the markings, placards, and labels on the Container. Such markings, placards, and labels will be retained on the Container until it is sufficiently cleaned of residue and purged of vapors to remove any potential hazards. | Date: | 05/26/2024 |
| Type | OTHER | | |
| Comment: | Separator units include attached storage tanks. No form of labeling or markers are present to identify a potential hazard or the contents of the storage tank. | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Operators will ensure that container and tank labels are well maintained and legible, and will replace damaged or vandalized labels within 10 days of discovery that the label is no longer legible or is damaged. | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 970-629-1906 or 911

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|-------|------------|
| Type | DEBRIS | | |
| Comment: | Random debris | | |
| Corrective Action: | All excess materials, rubbish, supplies, trash, or other waste material will be properly contained until removed from the Oil and Gas Location. At no time will debris be placed or remain on the ground. | Date: | 05/23/2024 |
| Type | UNUSED EQUIPMENT | | |
| Comment: | Methanol tank, containment and condensate tank not in service | | |
| Corrective Action: | All equipment not hooked up or out of service will be removed from location. | Date: | 05/31/2024 |

Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Fencing/:**

| | | | |
|--------------------|------------------------|-------|------------|
| Type | PIT | | |
| Comment: | Livestock in disrepair | | |
| Corrective Action: | Repair fencing | Date: | 05/21/2024 |

| | | | |
|-----------------------------------|--|--|------------------|
| Equipment: | | | corrective date |
| Type: Plunger Lift | # 1 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | Relief riser missing protective cap | | |
| Corrective Action: | Vents on pressure safety devices will terminate in a manner so as not to endanger the public or adjoining facilities. They will be designed to be clear and free of debris and water at all times. | | Date: 05/31/2024 |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Containment full of debris and not in service. | | |
| Corrective Action: | | | Date: |
| Type: Bird Protectors | # 1 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Methanol tank not in use. | | |
| Corrective Action: | | | Date: |
| Type: Bradenhead | # 1 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Gas Meter Run | # 1 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---------------|----------|-----------|---------|--------|
| CONDENSATE | 1 | 100 BBLS | STEEL AST | | , |
| Comment: | Blowdown tank | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|----------|
| Condition | Adequate |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|--|---------------------|---------------------|------------------|
| Earth | Inadequate | | | Inadequate |
| Comment: | Berm is way undersized and is adjacent to a natural drainage area. | | | |
| Corrective Action: | Remove tank or relocate to a safer part of location with an adequate berm. | | | Date: 06/15/2024 |

Venting:

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

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

| Inspected Facilities | | | | | | | | | |
|--|------------------------------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 116598 | Type: | PIT | API Number: | - | Status: | AC | Insp. Status: | AC |
| The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12 | | | | | | | | | |
| Facility ID: | 223168 | Type: | WELL | API Number: | 081-06530 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | March 2024 Production Report | | | | | | | | |
| Corrective Action: | | | | | | | | Date: | |
| The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12 | | | | | | | | | |

Reclamation - Storm Water - Pit**Storm Water:**

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

Comment: Operator is responsible for maintaining Best Management Practices (BMPs) to control vehicle tracking and potential sediment discharges from operational roads, well pads, and other unpaved surfaces.

Corrective Action:

Date: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

Type: Evaporation Lined: NO Pit ID: 116598 Lat: 40.605718 Long: -107.536671

Reference Point: _____ Other: _____ Length: _____ Width: _____

Lining:

Liner Type: _____ Liner Condition: _____

Comment: Pit is above and borders a natural drainage area.

Corrective Action: Remove fluid from pit to prevent a spill into drainage area.

Date: 05/21/2024**Fencing:**

Fencing Type: Livestock Fencing Condition: Inadequate

Comment: Fencing down and in a state of disrepair

Corrective Action

Date: _____

Netting:

Netting Type: _____ Netting Condition: _____

Comment: None

Corrective Action

Date: _____

Anchor Trench Present: _____ Oil Accumulation: _____ 2+ feet Freeboard: _____

Comment: 2+ feet of freeboard debatable

Corrective Action

Date: _____

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 715500034 | Inspection Photos | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6549482 |