

**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:

12/02/2024

Submitted Date:

12/03/2024

Document Number:

715500947**FIELD INSPECTION FORM**Loc ID 313044 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:

9 Number of Comments

3 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 |
|-------------------|----------------|------------------------------------|---------|
| , Inspections | | argaliexplorationcompany@gmail.com | |
| Enforcement, ECMC | | dnr_cogccenforcement@state.co.us | |
| Ikenouye, Teri | | teri.ikenouye@state.co.us | |
| Rector, Jeff | (970) 629-2614 | jbrduco@yahoo.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 |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 223438 | WELL | PR | 05/01/2023 | GW | 081-06804 | STATE 1-31 | PR |

General Comment:**ECMC Inspection Report Summary**

On Monday, 12/02/2024, Inspector Kirby Burchett, conducted a follow up field inspection at Argali Exploration Company on the State 1-31 well, Location #313044, 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.

Follow up inspection in response to compliance issues observed during Insp. #715500835 on 10/16/24. The following Corrective Actions are unresolved and original due dates remain:

1. Relief vent riser caps missing.
2. Unused equipment.
3. Review of production records indicate operator is delinquent in submitting monthly operations reports.

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 | CONTAINERS | | |
| 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: | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| 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: | |

Emergency Contact Number:

Comment: (970) 629-1906

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|--|-------|------------|
| Type | UNUSED EQUIPMENT | | |
| Comment: | Methanol tank lacking containment. Empty and not in use. | | |
| Corrective Action: | All equipment not hooked up or out of service will be removed from location. | Date: | 11/01/2024 |

Overall Good: ☐**Spills:**

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

In Containment: No

Comment:

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

| | | | |
|-----------------------------------|--|-------|-----------------|
| Type: Deadman # & Marked | # 1 | | corrective date |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | Caps missing on relief vent risers | | |
| 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: | 10/27/2024 |
| Type: Ancillary equipment | # 1 | | |

| | | | | | |
|------------------------|--|----------------------|--|-------|--|
| Comment: | | Unused Methanol tank | | | |
| Corrective Action: | | | | Date: | |
| Type: Bradenhead | | # 1 | | | |
| Comment: | | | | | |
| Corrective Action: | | | | Date: | |
| <u>Venting:</u> | | | | | |
| Yes/No | | NO | | | |
| Comment: | | | | | |
| Corrective Action: | | | | Date: | |
| <u>Flaring:</u> | | | | | |
| Type | | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | Date: | |

| Inspected Facilities | | | | | | | | | |
|--|--|-------|------|-------------|-----------|---------|------------|---------------|----|
| Facility ID: | 223438 | Type: | WELL | API Number: | 081-06804 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | May 2024 Production Report on 10/16/24 inspection. August 2024 Production Report as of this inspection. Review of production records indicate operator is delinquent in submitting monthly operations reports. | | | | | | | | |
| Corrective Action: | Operators will report all existing oil and gas Wells that are not Plugged and Abandoned on the Form 7, Operator's Monthly Report of Operations within 45 days after the end of each month. A Well will be reported every month from the month that it is spud until it has been reported for one month as abandoned. Each formation that is completed in a Well will be reported every month from the time that it is completed until it has been abandoned and reported for one month as abandoned. The reported volumes will include all Fluids produced during Flowback, initial testing, completion, and production of the Well. | | | | | Date: | 11/16/2024 | | |
| 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: <input checked="" type="checkbox"/> NO SURFACE INDICATION OF PIT | | | | | | |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 404014499 | INSPECTION SUBMITTED | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6810094 |
| 715500948 | Inspection Photos | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6810091 |