

**FORM
INSP**Rev
X/15**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:

03/30/2020

Submitted Date:

04/01/2020

Document Number:

696201138

FIELD INSPECTION FORMLoc ID 315237 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 74740

Name of Operator: RIO MESA RESOURCES INC

Address: P.O. BOX 984

City: RANGELY State: CO Zip: 81648

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

5 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 |
|----------------|--------------|----------------------------------|-----------------------------|
| Moran, Rick | | rick.moran@state.co.us | |
| Hayes, Mike | 970-620-2257 | hayespetroleum@gmail.com | |
| Arthur, Denise | | denise.arthur@state.co.us | |
| , COGCC | | conor.pesicka@state.co.us | |
| , | | dnr_cogccengineering@state.co.us | Engineering issues/referral |
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| Heil, John | | john.heil@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|-------------------------------|-------------|
| 230455 | WELL | SI | 04/01/2014 | OW | 103-08118 | PHILLIPS-NEWTON 2-1 | RI |
| 315237 | LOCATION | AC | | | - | PHILLIPS-NEWTON-61N102W 2SESW | RI |

General Comment:

On 3/30/2020, Reclamation Specialist Trujillo conducted a final reclamation and stormwater inspection at Rio Mesa Resources Inc's Phillips-Newton #2-1 location in Rio Blanco County, Colorado.

It was documented that Location is out of compliance with COGCC Rules and requirements.

On 5/21/2018, Operator submitted Form 6 "Notice of Intent to Abandon" (Doc. No. 401648247). COA #1 attached to the Form 6 Notice required Operator to "Provide 48 hour notice of plugging MIRU via electronic Form 42".

On 10/30/2018 COGCC Staff inspected the Location and observed that well required an MIT (Inspection No. 679701571). On 1/9/2019, COGCC Staff inspected the Location observed that the well has been plugged and abandoned (Inspection No. 679702504).

Well appears to have been plugged and abandoned between 10/30/2018 and 1/9/2019; No from 42 notice of plugging appears to be submitted per Form 6(N) Conditions of Approval; and no Subsequent Report of Abandonment Form 6 has been submitted in accordance with Rule 311.b.

It was observed in this inspection that the Location has not been reclaimed in accordance with Rule 1004.a; Oil and Gas equipment has not been removed from the Location; pit has not been closed (previous inspections identify pit as a special purpose "blowdown pit"), no Form 27 has been submitted or approved for pit closure in accordance with Rule 905.b; Stained soils observed in areas of the tank battery and the vertical heater treater due to leaks in violation of Rule 1002.f; soils will require removal in accordance with Rule 907.e.; compaction alleviation (cross-ripping to a minimum depth of 18 inches) has not been conducted; Location has not been contoured; Revegetation activities have not been conducted.

The following alleged compliance issues were observed during this inspection:

§34-60-121(1)(a), C.R.S.: Failed to submit Form 42 notice of plugging per Conditions of Approval.

311.b: Submission of Subsequent Report of Abandonment Form 6 within 30 days after abandonment.

905.b: Pit closure in accordance with an approved Site Investigation Remediation Workplan, Form 27.

1002.f: Stormwater

1004.a: Final Reclamation of Well Sites and Associated Production Facilities.

Due to the significant nature, extent, or duration of the alleged rule violation(s), corrective action dates will not be applied and the Operator is directed to perform corrective actions outlined on this inspection report immediately. Location is being reviewed for possible referral for enforcement. Refer to the "Reclamation", "Stormwater" and "Pits" 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 on this site inspection will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

| Inspected Facilities | | | | | | | | | |
|----------------------|--------|-------|----------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 230455 | Type: | WELL | API Number: | 103-08118 | Status: | SI | Insp. Status: | RI |
| | | | | | | | | | |
| Facility ID: | 315237 | Type: | LOCATION | API Number: | - | Status: | AC | Insp. Status: | RI |
| | | | | | | | | | |

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 SEGREGATION _____

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? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

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 REVEGETATIONCropland

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? _____

Comment _____

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 **Fail**

Debris removed **Fail** No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed **Fail**

Location and associated production facilities reclaimed **Fail** Locations, facilities, roads, recontoured **Fail**

Compaction alleviation **Fail** Dust and erosion control _____

Non cropland: Revegetated 80% **Fail** 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: **This Location does not meet COGCC 1000 series final reclamation requirements; Well has been PAd, no Form 6(s) and plugging records have been submitted; Oil and Gas equipment has not been removed from the Location; pit has not been closed (see "Pits"); Stained soils evident (See "Stormwater"); compaction alleviation (cross-ripping to a minimum depth of 18 inches) has not been conducted; Location has not been contoured; Revegetation activities have not been conducted.**

| | | |
|---|---|------------|
| Corrective Action: | <p style="color: red;">Multiple corrective actions are being provided:</p> <p style="color: red;">1) Submit the Subsequent Report of Abandonment Form 6 per Rule 311.b</p> <p style="color: red;">2) Comply with Rule 1004.a and conduct final reclamation including, but not limited to, removal of surface equipment, compaction alleviation per Rule 1003.c, recontour/regrade to original grade/adjacent lands, and conduct revegetation activities. Use a seed mixture requested by the surface owner, or a mixture prescribed by the local soil conservation district. Ensure erosion controls are implemented to stabilize the seeded soil, and continue to monitor and manage this site until Final Reclamation has passed.</p> | Date _____ |
| Overall Final Reclamation Fail Well Release on Active Location <input type="checkbox"/> Multi-Well Location <input type="checkbox"/> | | |

Storm Water:

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

| | | |
|--------------------|---|-------------|
| Comment: | <p style="color: blue;">Stained soils observed in areas of the tank battery and the vertical heater treater due to leaks from the equipment in violation of Rule 1002.f; Secondary containment BMPs have been removed from equipment.</p> | |
| Corrective Action: | <p style="color: red;">Properly dispose of oily waste in accordance with 907.e.</p> | Date: _____ |

Pits: ☐ NO SURFACE INDICATION OF PIT

| | | | | |
|-----------------------|------------------|---------------|-----------------------|--------------------------|
| Type: <u>Blowdown</u> | Lined: <u>NO</u> | Pit ID: _____ | Lat: <u>40.078380</u> | Long: <u>-108.811617</u> |
|-----------------------|------------------|---------------|-----------------------|--------------------------|

| | | | |
|------------------------|--------------|---------------|--------------|
| Reference Point: _____ | Other: _____ | Length: _____ | Width: _____ |
|------------------------|--------------|---------------|--------------|

| | |
|-------------------|------------------|
| Lining: | |
| Liner Type: | Liner Condition: |
| Comment: | |
| Corrective Action | Date: |

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

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

| | | |
|------------------------|--|--------------------|
| Anchor Trench Present: | Oil Accumulation: | 2+ feet Freeboard: |
| Comment: | <p style="color: blue;">Rule 1004.a requires pit closure upon the plugging and abandonment of a well. Pit on the west end of the Location remains open, and has not been closed in accordance with Rules 1004.b and 905.b; No "Site Investigation and Remediation Workplan, Form 27", has been submitted and approved.</p> | |
| Corrective Action | <p style="color: red;">Contact COGCC EPS regarding pit closure, Form 27 requirements, and any additional directives per Rule 905.b</p> | |
| | Date: | |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 696201139 | Inspection Photos | http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5112717 |