

**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:

12/18/2023

Submitted Date:

12/19/2023

Document Number:

696205473

FIELD INSPECTION FORMLoc ID 430927 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 3104

Name of Operator: ANSCHUTZ EXPLORATION CORP

Address: 555 17TH ST STE 2400

City: DENVER State: CO Zip: 80202

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

28 Number of Comments

13 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 |
|-----------------|-------|------------------------------|---------|
| | | lindsey.organ@aec-denver.com | |
| Burchett, Kirby | | kirby.burchett@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|------------------------|-------------|
| 430924 | WELL | PR | 03/01/2023 | OW | 103-11953 | BHR Fed J22-15-397-2RH | RI |
| 430927 | LOCATION | AC | | | - | BHR J22-397 | RI |

General Comment:

On 12/18/2023, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Anschutz Exploration Corp's BHR J22-397 location in Moffat County, Colorado.

Location is Fee Surface, Fee Minerals

Location is within High Priority Habitat

The following compliance issues were observed during this inspection:

- Interim Reclamation of areas not needed for production
- Active leak/spill occurring at a recycling line at the tank battery, and at the "water pump" on the southwest end of the Location. Anschutz representative on site was provided notice of the issue and the requirement to immediately address the issues.
- Good Housekeeping (Trash, debris, unused equipment).
- Poor Mechanical conditions
- Loadlines lack cap/plug
- Wildlife Protections
- Spill prevention and containment measures
- Signage
- Protection of topsoil / Weeds

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

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

It is ECMC's expectation that Operators are in compliance with ECMC rules at all times; any corrective action(s) from previous inspections that have not been addressed are still applicable.

Consequently, dates for any corrective actions provided will either 1) be back-dated to when the Operator should have been in compliance, or 2) be the date of the inspection for which the Location was observed out of compliance (the "Date of Discovery"). Unless specifically directed within this Inspection Report, the CA date is not the date ECMC expects the Operator to have taken corrective actions.

The Location will remain out of compliance until corrective action(s) has(have) been resolved and a follow up inspection will be conducted to ensure the compliance issues have been corrected to comply with ECMC rules.

LocationOverall Good: ☐

| | | | |
|----------------------|--|--|------------------|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | Signage at wellhead posted with incorrect Operator information. | | |
| Corrective Action: | Comply with Rule 605.d | | Date: 12/18/2023 |
| Type | BATTERY | | |
| Comment: | Signage at the tank battery facility posted with incorrect Operator information. | | |
| Corrective Action: | Comply with Rule 605.e | | Date: 12/18/2023 |
| Type | OTHER | | |
| Comment: | Location | | |
| Corrective Action: | | | Date: |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

Emergency Contact Number:

Comment: 1-888-696-1300 / 911

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|--|------------------|
| Type | UNUSED EQUIPMENT | | |
| Comment: | Various unused equipment, containers, etc... were observed throughout the entire working pad surface of the Location. | | |
| Corrective Action: | Comply with Rule 606.a | | Date: 12/18/2023 |
| Type | TRASH | | |
| Comment: | Various trash/debris/rubbish/etc.. was observed throughout the entire working pad surface of the Location. | | |
| Corrective Action: | Comply with Rule 606.d | | Date: 12/18/2023 |

Overall Good: ☐

| | | | |
|--------------------|---|--------|------------------|
| Spills: | | | |
| Type | Area | Volume | |
| | Truck Loadout | | |
| Comment: | Spills at loadouts observed; Honeypots filled with production fluids. | | |
| Corrective Action: | Remove and properly dispose fluids. | | Date: 12/18/2023 |
| | Tank | | |
| Comment: | Crack observed at a "recycling line" at the tank battery is resulting in an active leak/spill within containment. Anschutz representative on site was provided notice of the issue and the requirement to immediately address the issues. | | |
| Corrective Action: | Stop leak. Securely fasten all valves, pipes, fittings, and Production Facilities. Ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. | | Date: 12/18/2023 |
| | | | |
| Comment: | Spill observed at the "water pump" riser on the southwest end of the Location. | | |

| | | | | | |
|--------------------|---|--|--|-------|------------|
| Corrective Action: | Stop leak. Securely fasten all valves, pipes, fittings, and Production Facilities. Ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. | | | Date: | 12/18/2023 |
| | Clean/remediate impacts/stained soils to Table 915-1 cleanup concentrations. | | | | |
| | Tank | | | | |
| Comment: | Stained soils observed at the tank battery. | | | | |
| Corrective Action: | Clean/remediate impacts/stained soils to Table 915-1 cleanup concentrations. | | | Date: | 12/18/2023 |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

| | | | |
|--------------------|-------------------|-------|--|
| Fencing/: | | | |
| Type | WELLHEAD | | |
| Comment: | Livestock panels. | | |
| Corrective Action: | | Date: | |
| Type | SEPARATOR | | |
| Comment: | Livestock panels. | | |
| Corrective Action: | | Date: | |
| Type | IGNITOR/COMBUSTOR | | |
| Comment: | Livestock panels. | | |
| Corrective Action: | | Date: | |
| Type | TANK BATTERY | | |
| Comment: | Livestock panels. | | |
| Corrective Action: | | Date: | |

| | | | |
|--------------------|--|--|------------------|
| Equipment: | | | corrective date |
| Type: Other | # | | |
| Comment: | BMPs to prevent wildlife access to, or allow wildlife egress from containment measures for multiple methanol and glycol tanks were observed to be missing. | | |
| Corrective Action: | Install or repair wildlife protection equipment. | | Date: 12/18/2023 |
| Type: Other | # | | |
| Comment: | Loadlines at tank battery facility not plugged or capped. | | |
| Corrective Action: | All loadlines will be bullplugged or capped. | | Date: 12/18/2023 |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| PRODUCED WATER | 2 | 500 BBLs | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

| | | | | | | |
|---|----------|---------------------|---------------------|-------------|--------|--|
| Berms | | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | |
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate | | |
| Comment: Shares containment with 6 crude out tanks. | | | | | | |
| Corrective Action: | | | | | Date: | |
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| CRUDE OIL | 6 | 500 BBLS | STEEL AST | | , | |
| Comment: Crude oil tank on the west end of the battery, adjacent to the produced water tank currently not in service; tank has been LOTO due to integrity issues. | | | | | | |
| Corrective Action: | | | | | Date: | |

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

| | | | | | | |
|--|----------|---------------------|---------------------|-------------|-------|--|
| Berms | | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | |
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate | | |
| Comment: Containment BMP appeared to be in proper functioning condition at time of inspection. | | | | | | |
| Corrective Action: | | | | | Date: | |

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

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

| Inspected Facilities | | | | | | | | | |
|----------------------|--|-------|----------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 430924 | Type: | WELL | API Number: | 103-11953 | Status: | PR | Insp. Status: | RI |
| Producing Well | | | | | | | | | |
| Comment: | PR Well, Interim reclamation inspection. | | | | | | | | |
| Corrective Action: | | | | | Date: | | | | |
| Facility ID: | 430927 | 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: OTHER, RANGELAND

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 _____ Fail _____

Comment _____

BMPs to prevent weed establishment inadequate at the topsoil stockpile. Undesirable Plant Species, including various weedy mustard species (such as *Chorispora tenella*) observed established over much of the topsoil stockpile. Very little desirable plant establishment observed within areas dominated by weeds.

Corrective Action _____

Comply with Rules 1002.c, 1003.f and 606.c. Ongoing weed management required until site receives a passing final reclamation inspection.

Date **12/18/2023**

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

See "Good Housekeeping".

Corrective Action _____

Date _____

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

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Limited inspection due to snowcover. Only one marker was observed on the Location. Unclear if anchors on the Location have been marked per rules, or removed. A followup inspection will be performed to determine compliance with ECMC requirements.

Corrective Action _____

Date _____

- 1003b. Area no longer in use? Fail Production areas stabilized ? _____
- 1003c. Compacted areas have been cross ripped? Fail
- 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? Fail
- Production areas have been stabilized? _____ Segregated soils have been replaced? Fail

RESTORATION AND REVEGETATIONCropland

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

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

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 It was observed in this inspection that interim reclamation pursuant to 1003 Rules has not been performed on the Location; areas on the west end of the Location are not reasonably needed for production operations on the Location, and require reclamation. A 2nd access road exists on the east end of the Location; access road is unnecessary and also requires reclamation.

Corrective Action Comply with Rule 1003.b- conduct interim reclamation on the Location including, but not limited to, compaction alleviation, recontouring/regrading, replacement of topsoil and revegetation activities on areas not needed for production. Ensure the seed mixture used is provided by the Surface Owner, or Location Soil Conservation Service. BMPs to stabilize the seeded soils will be required upon completion of revegetation activities. Continue to monitor and manage interim areas until Location receives a passing final reclamation inspection.

Date 12/18/2023

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND

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 |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|-------------------------------|
| | | | | Material Handling And Spill Prevention | | containment BMP @ glycol tank |

Comment: The containment BMP at the glycol tank was observed to be cracked and no longer in proper functioning condition.

Corrective Action: Install or repair spill prevention and containment BMPs.

Date: 12/18/2023

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|--|------------|------------|
| Form 2 Permit to Drill #401417486 for well API 103-12995 expired 12/28/2019; Form 2 #401861425 deleted 3/8/2021. | trujilloam | 12/19/2023 |
| Submit Form 4 to abandon permit. | | |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 403630996 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6362604 |
| 696205474 | Leak | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6362569 |
| 696205475 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6362570 |