

FORM
INSPRev
X/20State of Colorado
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

03/12/2024

Submitted Date:

03/14/2024

Document Number:

696205678

FIELD INSPECTION FORM

 Loc ID 430927 Inspector Name: Trujillo, Aaron On-Site Inspection 2A Doc Num: _____
Status Summary:

- THIS IS A FOLLOW UP INSPECTION
 FOLLOW UP INSPECTION REQUIRED
 NO FOLLOW UP INSPECTION REQUIRED

Operator Information:
 OGCC Operator Number: 3104
 Name of Operator: ANSCHUTZ EXPLORATION CORP
 Address: 555 17TH ST STE 2400
 City: DENVER State: CO Zip: 80202
Findings:

- 22 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
Organ, Lindsey	7206391235	lindsey.organ@aec-denver.com	Compliance Specialist
Fischer, Alex		alex.fischer@state.co.us	
Heil, John		john.heil@state.co.us	
Arthur, Denise		denise.arthur@state.co.us	
Cholas, Nick		nick.cholas@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
485791	SPILL OR RELEASE	AC	01/03/2024		-	BHR J22 Release	RI

General Comment:

On 3/12/2024, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Anschutz Exploration Corp's BHR J22-397 Location in Rio Blanco County, Colorado.

Location is Fee Surface, with Fed Minerals.

Location is within High Priority Habitats:

This is also a follow-up inspection to #696205473, to document compliance for the following corrective actions:

- Interim Reclamation of areas not needed for production
- Spill/Release
- 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

This inspection is also in response to Resolution #403664414 stating corrective actions have been completed.

It was observed in this inspection that the corrective actions regarding wildlife protections, signage, capping/plugging of loadlines have been resolved.

Corrective actions regarding good housekeeping, spills, spill prevention and containment, fluids within containment and interim reclamation have not been addressed and remain outstanding.

Due to the outstanding nature of the environmental issues on the Location, ECMC Environmental Group is being included on this inspection report.

The following new compliance issues were observed per this inspection:

- Improper management of E&P Waste
- Stormwater
- Anchor marking requirements

Refer to the "Location", "Environmental", "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 inspection that have not been addressed are still applicable.

Location

Overall Good:

Signs/Marker:			
Type	OTHER		
Comment:	Location		
Corrective Action:		Date:	
Type	BATTERY		
Comment:			
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:			
Comment:	1-888-696-1300 / 911		
Corrective Action:		Date:	

Good Housekeeping:			
Type			
Comment:	<p>Inspection #696205473 observed various trash/debris/rubbish/unused equipment/etc... throughout the Location. Inspection Required Operator to comply with Rule 606.a and Rule 606.d.</p> <p>Operator submitted Resolution #403664414 stating corrective action has been completed.</p> <p>It was observed in this inspection that the corrective action has not been resolved; trash/debris/rubbish/equipment/etc..., including items documented in the previous inspection, observed remaining throughout the Location.</p> <p>Corrective actions per Inspection #696205473 have not been addressed; corrective action and date remains applicable.</p>		
Corrective Action:	<p>Corrective actions per Inspection #696205473: Comply with Rule 606.a and 606.d.</p> <p>Comply with 606 Rules.</p>		Date:

Overall Good:

Spills:			
Type	Area	Volume	
Comment:	<p>Production equipment throughout the Location (including lines at the tank battery, separators, etc...on the northeast pad) have not been maintained in a good mechanical condition.</p> <p>This has resulted in spills, releases and impacted soils/materials at the base of production equipment, and the working pad surface throughout the entire Location.</p>		

Corrective Action:	Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e.	Date: <u>03/21/2024</u>
	Truck Loadout	
Comment:	<p>Inspection #696205473 observed spills at the loadlines; honeypots filled with production fluids. Inspection required Operator to Remove and properly dispose fluids.</p> <p>Operator submitted resolution #403664414 stating corrective action has been completed.</p> <p>It was observed in this inspection that fluids remain within the honeypots.</p> <p>Corrective action per inspection #696205473 has not been adequately addressed and remains applicable.</p>	
Corrective Action:	Corrective action per inspection #696205473: Remove and properly dispose fluids.	Date:
Comment:	<p>Inspection #696205473 observed a spill at the "water pump" risers on the southwest end of the Location. Inspection required Operator to comply with Rule 608.e, and to clean/remediate spill to Table 915-1 cleanup concentrations.</p> <p>Operator submitted Form 19 #403632910 on 12/28/2023.</p> <p>Operator submitted resolution #403664414 stating corrective action has been completed, and the leak was stopped.</p> <p>It was observed in this inspection that work to control the release from the risers has been inadequate; fluids have continued to leak from the equipment resulting in additional impacts to the pad surface.</p> <p>Corrective action per inspection #696205473 has not been adequately addressed and remains applicable.</p>	
Corrective Action:	Corrective action per inspection #696205473: 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. Clean/remediate impacts/stained soils to Table 915-1 cleanup concentrations.	Date:
Comment:	<p>Production equipment throughout the Location (including lines at the tank battery, separators, and other production equipment on the northeast pad) have not been maintained in a good mechanical condition.</p> <p>This has resulted in spills, releases and impacted soils/materials at the base of production equipment and working pad surface throughout the entire Location.</p>	
Corrective Action:	<p>Operator shall comply with Rule 912.b for all noted spill/release on the location. If the spill/releases do not meet the reporting criteria, Operator shall comply with Rule 912.a.(5). and provide documentation of the cleanup to the Director. This includes soil sampling to demonstrate that all spill/releases areas are in compliance with Table 915-1. A form 19 will be required for each spill that meets 915.b reporting requirements.</p> <p>Operator shall comply with Rule 912.a.(1) and Immediately control and contain the Spill or Release to protect and minimize adverse impacts to public health, safety, welfare, the environment, and wildlife resources.</p>	Date: <u>04/13/2024</u>

Comment:	<p>Inspection #696205473 observed a spill at the "water pump" risers on the southwest end of the Location. Inspection required Operator to comply with Rule 608.e, and to clean/remediate spill to Table 915-1 cleanup concentrations.</p> <p>Operator submitted Form 19 #403632910 on 12/28/2023.</p> <p>Operator submitted resolution #403664414 stating corrective action has been completed, and the leak was stopped.</p> <p>It was observed in this inspection that work to control the release from the risers has been inadequate; fluids have continued to leak from the equipment resulting in additional impacts to the pad surface.</p> <p>Corrective action per inspection #696205473 has not been adequately addressed and remains applicable.</p>		
Corrective Action:	Submit supplemental Form 19 for update regarding spill and remediation activities.	Date:	03/21/2024
	Tank		
Comment:	<p>Inspection #696205473 observed stained soils/impacts due to spills at the tank battery facility.</p> <p>Inspection required Operator to clean/remediate impacts/stained soils to Table 915-1 cleanup concentrations</p> <p>Operator submitted resolution #403664414 stating corrective action has been completed, that "Stained gravel inside lined secondary containment has been removed and replaced with clean gravel".</p> <p>It was observed in this inspection that the corrective action has not been resolved; stained materials/impacts due to spills remain at the tank battery facility.</p> <p>Corrective action per inspection #696205473 has not been adequately addressed and remains applicable.</p>		
Corrective Action:	Corrective action per inspection #696205473: Clean/remediate impacts/stained soils to Table 915-1 cleanup concentrations.	Date:	
	Tank		
Comment:	Containment measure at tank adjacent to compressor unit has filled with fluids; sheen evident. See photo 19		
Corrective Action:	Remove and properly dispose fluids from containment.	Date:	03/21/2024
<p>In Containment: No</p> <p>Comment: <input type="text"/></p> <p><input type="checkbox"/> Multiple Spills and Releases?</p>			
Equipment:			corrective date
Type:	#		
Comment:	Corrective action per inspection #696205473 regarding wildlife protections has been resolved.		
Corrective Action:		Date:	
Type:	#		
Comment:	<p>The partially buried containment BMP behind the compressor unit does not appear to be in proper functioning condition; lines leading into BMP are either leaking, and/or have not been properly sealed to the containment measure. Spills observed around the containment BMP. See photo #28.</p> <p>See corrective actions above regarding mechanical integrity, and spill cleanup requirements.</p>		
Corrective Action:	Install or repair secondary containment measure; ensure containment measure remains impervious to contain a spill or release.	Date:	03/16/2024
Type:	#		
Comment:	Corrective action per inspection #696205473 regarding compliance with Rule 603.i has been resolved.		

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

Facility ID: 430927 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Facility ID: 485791 Type: SPILL OR API Number: - Status: AC Insp. Status: RI

Environmental

Spill/Remediation:

Comment: Spill from pipe equipment on the southwest end of the Location. Refer to Form 19 #403632910 for additional details.

It was observed in this inspection that Operator has excavated and improperly stockpiled the potentially impacted soils on the southwest end of the Location. Operator appears to have only placed tarp liner beneath the material; no other BMPs have been implemented in conjunction with the liner in order to ensure the potentially impacted materials are contained; material observed to have spilled beyond the tarp liner, and is commingling with stormwater on the pad surface.

This is improper stormwater management, materials handling and management of E&P waste.

Due to the improper/inadequate BMPs, these areas will also need to be addressed during spill cleanup and remediation efforts.

Corrective Action: **Comply with Rules 1002.f, 902, and 905. Clean up impacts and implement or modify BMPs for improved material handling and spill prevention.**

Date: 03/16/2024

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: 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 [Refer to inspection #696205473 regarding corrective action requirements with Rules 1002.c, 1003.f and 606.c. A followup inspection will be conducted at a future date to determine compliance with ECMC Rules.](#)

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? _____ Fail _____

Comment [Anchors on the east and northeast end of the Location lack proper marking pursuant to Rule 1003.a and 603.j](#)

Corrective Action [Comply with Rule 1003.a and 603.j](#)

Date **04/14/2024**

1003b. Area no longer in use? Fail 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 REVEGETATION

Cropland

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 See "COGCC Comments" at the end of this report.

Corrective Action Corrective action per inspection #696205473: 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 _____

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
			Fail			Pad lacks stabilization

Comment: It was observed in this inspection that stormwater and erosion control BMPs were missing or insufficient on the Location:
-BMPs to stabilize the working pad surface are no longer in proper functioning condition; control measures to minimize tracking inadequate; control measures to minimize off-site sediment transport by equipment, such as vehicle tracking pad, also not observed.

Corrective Action: Comply with Rule 1002.f. Date: 03/16/2024

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>INTERIM RECLAMATION</p> <p>Inspection #696205473 observed 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.</p> <p>Inspection required Operator to comply with Rule 1003.b.</p> <p>Operator submitted resolution #403664414 stating corrective action has been completed.</p> <p>It was observed in this inspection that interim reclamation work to reduce the Location to only areas reasonably needed for production has not been performed. Corrective action has not been addressed.</p> <p>Additionally, it was observed in this inspection that there are disturbed areas on the south end of the Location (~0.6 acres), beyond the designated pad, that have not been reclaimed; gravel/rock material/road base evident; these areas will also require reclamation.</p>	trujilloam	03/14/2024

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

Document Num	Description	URL
696205679	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6467525