

**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:

09/26/2024

Submitted Date:

09/30/2024

Document Number:

696206333

FIELD INSPECTION FORM

Loc ID 316731 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:

ECMC Operator Number: 56680
Name of Operator: MERRION OIL & GAS CORP
Address: 610 REILLY AVENUE
City: FARMINGTON State: NM Zip: 87401

Findings:

- 8 Number of Comments
- 5 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 |
|----------------|-------|------------------------------|--------------------|
| Heil, John | | john.heil@state.co.us | |
| Lutz, Deborah | | debbie.lutz@state.co.us | |
| | | pthompson@merrion.bz | |
| Katz, Aaron | | aaron.katz@state.co.us | |
| Roberts, James | | j75rober@blm.gov | Rio Blanco, Moffat |
| | | lindsey.organ@aec-denver.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|----------------------------|-------------|
| 232418 | WELL | SI | 07/01/2023 | GW | 103-66126 | LLOYD-FEDERAL 22-X-17 | RI |
| 316731 | LOCATION | AC | | | - | LLOYD-FEDERAL-62N97W 17SEW | RI |

General Comment:

On 9/26/2024, Western Reclamation Work Lead Trujillo conducted a final reclamation inspection at Lloyd-Federal 22-X-17 location in Rio Blanco County, Colorado.

Location is Fed Surface, Fed Mineral.

Location is within the following High Priority Habitats: Mule Deer Severe Winter Range; Mule Deer Winter Concentration Area.

Scout card records show Merrion Oil and Gas Corp as the Operator responsible for the Location and Well. However, Form 9s #403574666 on file shows Anschutz Exploration acquired the Location effective 9/29/2023. There appears to be some outstanding COAs and/or issues resulting in the Location not being transferred to Anschutz Exploration; therefore this inspection is being submitted to both Operators. Including ECMC Financial Assurance on inspection for notification purposes.

Records show well was P&A 8/18/2023. Form 6(s) #403543044 currently in process. Including ECMC Engineering on this inspection report for notification purposes, as "Well status" still shows "SI". Anschutz/Merrion is directed to contact area engineer to resolve any potential outstanding issues related to plugging requirements or Form resolution.

The following compliance issues were observed during this inspection:

- Good Housekeeping
- Final Reclamation
- Facility Closure requirements
- Spills
- Tanks Open / Missing covers to prevent access by wildlife.

Refer to the Location, Environmental and Reclamation sections of this 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:

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|--|-------|------------|
| Type | TRASH | | |
| Comment: | Various trash/debris (including non-E&P waste such as cement/concrete blocks/etc...) observed improperly stored on the Location. See "Reclamation" for "equipment associated with PA well" removal requirements. | | |
| Corrective Action: | Comply with Rule 606 Rules. Operators will properly dispose of all trash, rubbish, and other waste materials as nonhazardous/non-E&P solid waste, pursuant to Rule 906.c. No trash, waste, rubbish, or other materials will be burned or buried at an Oil and Gas Location. | Date: | 10/04/2024 |

Overall Good:

Spills:

| Type | Area | Volume | |
|--------------------|--|--------|------------|
| | | | |
| Comment: | A container with unknown fluids with a strong chemical/hydrocarbon smell was observed improperly stored on the east end of the Location. Fluids have been spilling out on the container resulting in impacts to soils/pad surface. BMPs to properly contain a spill or release have not been installed. | | |
| Corrective Action: | Remove and properly dispose fluids within the container; container is also not necessary on the Location and requires removal. Implement proper material handling and spill prevention procedures pursuant to Rule 1002.f Comply with Rule 912.a and clean/remediate spill to Table 915-1 cleanup concentrations. | Date: | 10/14/2024 |

In Containment: No

Comment:

Multiple Spills and Releases?

Equipment:

| Type: | # | | corrective date |
|--------------------|--|-------|-----------------|
| Comment: | It was observed in this inspection that tanks have been left with open manholes and open hatches; tanks are considered "out of service" and/or "unused equipment associated with an abandoned well", and have not been properly closed, covered, and/or lack other BMPs to prevent access by wildlife, including birds and bats. | | |
| Corrective Action: | Comply with Ruled 609.c. and 902.b., and either close hatches/replace covers, or equip any openings with screens or other appropriate equipment to prevent entry by wildlife, including birds and bats. | Date: | 10/04/2024 |

Venting:

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

Flaring:

| | |
|----------|--|
| Type | |
| Comment: | |

Corrective Action:

Date:

Inspected Facilities

Facility ID: 232418 Type: WELL API Number: 103-66126 Status: SI Insp. Status: RI

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Facility ID: 316731 Type: LOCATION API Number: - Status: AC Insp. Status: RI

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Environmental

Spill/Remediation:

Comment: Pursuant to Rule 911.a, Operators will close all Oil and Gas Facilities in accordance with an approved Form 27. Operators will obtain the Director's approval of the Form 27 prior to conducting any investigation or closure operations. Oil and Gas Facility closure pursuant to this Rule 911.a will be at the time of final site closure, Plugging and Abandonment, or decommissioning.

Pursuant to Form 6(s) #403543044, well was P&A 8/18/2023; a Form 27 for facility closure was required at this time.

No Form 27 for facility closure has been submitted for facilities on this Location. Including ECMC's Area EPS for notification purposes.

Corrective Action: **Comply with Rule 911: Contact EPS J. Heil (john.heil@state.co.us) for any additional facility closure requirements.** Date: 10/02/2024

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: _____

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____

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 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

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 _____

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:

Corrective Action:

Date _____

Overall Final Reclamation **Fail** Well Release on Active Location Multi-Well Location

ECMC Comments

| Comment | User | Date |
|---|------------|------------|
| <p>Pursuant to Rule 1004.a, upon the plugging and abandonment of a well, all debris, abandoned gathering/flowline risers, and surface equipment shall be removed within 3 months of plugging a well. Well locations, access roads and associated facilities shall be reclaimed. As applicable, compaction alleviation, restoration, and revegetation of well sites, associated production facilities, and access roads shall be performed to the same standards as established for interim reclamation under Rule 1003. All other equipment, supplies, weeds, rubbish, and other waste material shall be removed. All such reclamation work shall be completed 12 months on non-crop land after plugging a well or final closure of associated production facilities.</p> <p>Records show well was P&A 8/18/2023.</p> <p>It was observed in this inspection that Final Reclamation has not been conducted in accordance with 1004 Rules:</p> <p>-Production equipment (Tanks/risers/separators/etc...), as well as trash/debris, remain improperly stored on the Location; pursuant to Rule 1004.a, debris/equipment was required to be removed from the Location by 11/18/2023.</p> <p>-Location has not been decompacted, recontoured/reggraded and reclaimed; pursuant to Rule 1004.a, Final Reclamation work was required to be completed by 8/18/2024.</p> | trujilloam | 09/30/2024 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 403939782 | INSPECTION SUBMITTED | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6727482 |
| 696206334 | Inspection Photos | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6727474 |