

**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:

05/21/2025

Submitted Date:

05/21/2025

Document Number:

715501743**FIELD INSPECTION FORM**Loc ID 312974 Inspector Name: Burchett, Kirby On-Site Inspection ☐ 2A Doc Num: **Operator Information:**ECMC Operator Number: 3975Name of Operator: ARGALI EXPLORATION COMPANYAddress: PO BOX 416City: RANGELY State: CO Zip: 81648**Status Summary:**

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

Findings:19 Number of Comments9 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
Rector, Jeff	(970) 629-2614	jbrduco@yahoo.com	
Ikenouye, Teri		teri.ikenouye@state.co.us	
, Inspections		argaliexplorationcompany@g mail.com	
Rector, Brian	(970) 629-1906	brector1983@gmail.com	
Engineering, ECMC		dnr_cogccengineering@state. co.us	
Enforcement, ECMC		dnr_cogccenforcement@state .co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
223121	WELL	PR	02/01/2024	GW	081-06483	N.E. CRAIG STATE 8-27	PR

General Comment:

ECMC Inspection Report Summary

On Wednesday, 05/21/2025, Inspector Kirby Burchett, was on location for a follow up field inspection at Argali Exploration Company on the N.E. Craig State 8-27 well, Location #312974, in Moffat County, Colorado.

This location is within or in close proximity to a Colorado Parks and Wildlife (CPW) District with High Priority, 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. #715501481 on 3/31/25. All Corrective Actions are unresolved and original due dates remain:

1. Random debris.
2. Well sign missing required information.
3. Inadequate chemical containment.
4. Unlabeled production tank.
5. Open end valves on production tank.
6. No sign at tank battery.
7. Tank berm inadequate.

Refer to Inspection Photos for observed compliance issues.

While there during normal operations the following compliance issue was observed:

1. Gas calibration overdue.

Refer to Inspection Photos for observed compliance issues.

Review of production records indicates operator is still delinquent in submitting monthly production 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	BATTERY		
Comment:	No sign. Sign on gas meter building incomplete		
Corrective Action:	The Tank battery sign will be no less than 3 square feet and no more than 6 square feet, and will provide: Name of the Operator; Telephone number at which the Operator can be reached at all times; Telephone number for local emergency services (911 where available); The public road used to access the Tank battery site; Well name(s) and API number(s) associated with the Tank battery and the legal location of the Well(s); and Location, including the quarter/quarter section, of the Tank battery.	Date:	05/01/2025
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:	
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	TANK LABELS/PLACARDS		
Comment:	Incomplete, faded and illegible		
Corrective Action:	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.	Date:	04/11/2025
Type	WELLHEAD		
Comment:	Missing required information		
Corrective Action:	The Wellhead sign will identify: The Well name; The API Number; and Its legal location, including the quarter/quarter section.	Date:	04/11/2025

Emergency Contact Number:

Comment: (970) 629-1906

Corrective Action:

Date: _____

Good Housekeeping:

Type	DEBRIS		
Comment:	Random debris		
Corrective Action:	All excess materials, rubbish, supplies, trash, or other waste material will be properly contained until removed from the Oil and Gas Location. At no time will debris be placed or remain on the ground.	Date:	04/07/2025
Type	WEEDS		
Comment:	Maintain noxious weed control on all disturbed and reclaimed areas as a result of Oil & Gas activities including access roads.		
Corrective Action:		Date:	

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment:

☐ Multiple Spills and Releases?

Fencing/:			
Type	LOCATION		
Comment:	Livestock and barbed wire		
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:	Top pipe rail and livestock wire		
Corrective Action:		Date:	

Equipment:			corrective date
Type: Ancillary equipment	# 2		
Comment:	Chemical tanks lacking containment		
Corrective Action:	Repair or install berms or other secondary containment devices.	Date:	04/06/2025
Type: Bradenhead	# 1		
Comment:			
Corrective Action:		Date:	
Type: Deadman # & Marked	# 4		
Comment:			
Corrective Action:		Date:	
Type: Flow Line	# 1		
Comment:	Blow down line to tank		
Corrective Action:		Date:	
Type: Bird Protectors	# 1		
Comment:			
Corrective Action:		Date:	
Type: Horizontal Heated Separator	# 1		
Comment:	Dump line separated at production tank		
Corrective Action:		Date:	
Type: Gas Meter Run	# 1		
Comment:	Gas meter calibration out of compliance.		
Corrective Action:	Meters will be calibrated annually unless more frequent calibration is required by contractual obligations or by the Director.	Date:	06/21/2025
Type: Plunger Lift	# 1		
Comment:			
Corrective Action:		Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS	
CONDENSATE	1	300 BBLS	STEEL AST		,	

Comment:	Open end tank valves. Evidence of rust pitting. Out of service? All equipment not hooked up or out of service will be removed from location.	
Corrective Action:	All load lines or tank valves that can be used as a load line will be capped or plugged.	Date: 04/06/2025

Paint

Condition	Adequate	
Other (Content)		
Other (Capacity)		
Other (Type)		

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate			
Comment:	Unlined Measured 18' x 20' - 1 ft of depth = 64 bbl berm capacity 300 bbl (150%) = 450 bbl required capacity			
Corrective Action:	Repair or install berms or other secondary containment devices.			Date: 05/01/2025

Venting:

Yes/No	NO		
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities									
Facility ID:	223121	Type:	WELL	API Number:	081-06483	Status:	PR	Insp. Status:	PR
Producing Well									
Comment:	December 2024 Production Report Review of production records indicate operator is delinquent in submitting monthly operations reports. January & February over 30 days past due March 2025 report due May 15, 2025								
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.							Date:	06/21/2025

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: ☒ 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
404213378	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7060151
715501744	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7060149