

**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:
09/16/2019
Submitted Date:
09/23/2019
Document Number:
696200782

FIELD INSPECTION FORM

Loc ID 303599 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

Findings:
7 Number of Comments
2 Number of Corrective Actions
 Corrective Action Response Requested

Operator Information:
OGCC Operator Number: 10112
Name of Operator: FOUNDATION ENERGY MANAGEMENT LLC
Address: 5057 KELLER SPRINGS RD STE 650
City: ADDISON State: TX Zip: 75001

ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE

Contact Information:

Contact Name	Phone	Email	Comment
Arthur, Denise		denise.arthur@state.co.us	
,		dnr_cogccenforcement@state.co.us	
,		regulatory@foundationenergy.com	All inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
253342	WELL	SI	06/01/2019	GW	125-07219	GROSECLOSE 31-30	RI
303599	LOCATION	AC			-	GROSECLOSE-64S43W 30NWNE	RI

General Comment:

On 09/16/2019, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Foundation Energy's Groseclose 31-30 location in Yuma County, Colorado.

It was documented that stormwater runoff location has caused erosion degradation on both the location and the adjacent lands.

The following alleged compliance issues were observed during this inspection:
1002.f: Stormwater management
1002.e: Surface disturbance minimization.

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

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

Due to the significant nature, extent, or duration of this alleged rule violation immediate referral to enforcement is required. Operator is directed to perform corrective actions outlined on this inspection report immediately. Doing so may decrease the duration of the alleged violations and the penalties that may be assessed pursuant to Rule 523.

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: 253342 Type: WELL API Number: 125-07219 Status: SI Insp. Status: RI

Facility ID: 303599 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 _____ Fail _____

Comment [Site insufficiently stabilized and/or insufficient BMPs in place to protect location/soils.](#)

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Fail _____

Comment [Stormwater runoff has caused erosion degradation on the location and adjacent lands.](#)

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 ? Fail

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 It was observed that stormwater has caused erosion degradation on the location with the pad no longer sufficiently stabilized. Additionally, it was observed that stormwater runoff has caused erosion degradation to the adjacent lands south of the location, with sediment deposition evident within a designated intermittent stream/drainage in violation of 1002.e and 1002.f. See attached photos.

Corrective Action Foundation shall conduct reclamation in accordance with COGCC 1000 series rules on the degraded adjacent lands due to stormwater runoff. Foundation shall establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of pre-disturbance or reference area levels. A seed mixture requested by the surface owner, or a mixture prescribed by the local county NRCS will be used. Foundation will ensure erosion controls are implemented to stabilize the seeded soil. Foundation shall conduct ongoing reclamation and stormwater monitoring/management until passing "Final Reclamation" pursuant to 1004 rules.

Date 09/16/2019

Overall Interim Reclamation Fail

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 _____ 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		Fail			

Comment: It was observed that stormwater has caused erosion degradation on the location with the pad no longer sufficiently stabilized. Additionally, it was observed that stormwater runoff has caused erosion degradation to the adjacent lands south of the location, with sediment deposition evident within a designated intermittent stream/drainage in violation of 1002.e and 1002.f. See attached photos.

Corrective Action: **SEE "COGCC COMMENTS" FOR CORRECTIVE ACTION REGARDING STORMWATER**

Date: 09/16/2019

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>STORMWATER CORRECTIVE ACTION</p> <p>Foundation shall</p> <p>1) Repair erosion degradation on the location, and erosion degradation on the adjacent lands damaged due to stormwater runoff from the location.</p> <p>and</p> <p>2) Install/repair and maintain required stormwater and erosion control BMPs on the location that will allow for allow for sediment laden free stormwater discharge from the location in accordance with 1002.f and 1002.f.(3).</p> <p>Stormwater sediment and erosion control BMPs will be site specific, installed in accordance with good engineering practices and maintained in proper functioning condition; if it is determined that a specific BMP is insufficient to mitigate degradation to the site, cannot be implemented per installation specification, or maintained in effective operating condition, then alternative BMPs that are better suited to meet the site's conditions will be considered and applied, or used in conjunction.</p> <p>Operator shall conduct ongoing stormwater monitoring/management until passing "Final Reclamation" pursuant to 1004 rules.</p>	trujilloam	09/23/2019

Attached Documents

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

Document Num	Description	URL
696200783	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4943629