

**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:

06/15/2021

Submitted Date:

06/17/2021

Document Number:

696202822

FIELD INSPECTION FORMLoc ID 324464 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 10515

Name of Operator: GUNNISON ENERGY LLC

Address: 1801 BROADWAY #1150

City: DENVER State: CO Zip: 80202

Status Summary:

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

Findings:

8 Number of Comments

4 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 |
|--------------|-------|--------------------------|---------|
| | | tyson.johnston@oxbow.com | |
| | | heather.lang@oxbow.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|---------|---------------------------|-------------|
| 324464 | LOCATION | AC | | | - | FEDERAL-610S90W 30SWSE | RI |

General Comment:

On 6/15/2021, Reclamation Specialist Trujillo conducted an interim reclamation and storm water inspection at Gunnison Energy's Federal 30-4 location in Gunnison County, Colorado.

This inspection is a followup to #696202645 and #696202706 to document compliance with the following corrective actions

606: Good Housekeeping (5/22/2021)

608.e: Mechanical Conditions (5/22/2021)

912: Spills and Releases (5/22/2021)

1003.b: Reclamation of areas no longer needed for production (6/7/2021)

1003.f: Noxious weed management (6/24/2021)

It was observed in this inspection that the Location remains out of compliance with COGCC Rules and corrective actions.

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.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

A follow up inspection on this site will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

LocationOverall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|------------|
| Type | STORAGE OF SUPL | | |
| Comment: | <p>Inspection #696202645 and 696202706 observed various trash, debris and unused equipment stored throughout the Location.</p> <p>It was observed in this inspection that the various trash, debris and unused equipment remains on the Location; original corrective action and date remains applicable.</p> | | |
| Corrective Action: | Comply with Rule 606 | Date: | 05/22/2021 |
| Type | WEEDS | | |
| Comment: | <p>Previous inspection observed noxious weeds (Canada thistle) on the Location, and required Operator to comply with Rule 1003.f.</p> <p>It was observed in this inspection that other noxious weed species (Hoary cress, Musk thistle, Bindweed) have established on the Location. Inspector observed signs indicating herbicide application was performed, though it is unclear if the recent weed management was adequate.</p> <p>Continue noxious weed monitoring/management. A followup inspection will be performed to determine compliance with Rule 1003.f</p> | | |
| Corrective Action: | | Date: | |

Overall Good: ☐**Spills:**

| | | | | |
|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|--|------------------|
| Type | Area | Volume | | |
| | | | | |
| Comment: | <p>Previous inspections observed equipment on the west end of the Location was leaking, resulting in a spill/stained soils in the immediate area of the equipment. Previous inspection observed work to address the mechanical issues was in process.</p> <p>It was observed in this inspection that the stained soils have been cleaned, however mechanical issues appear to remain, and new fluids have been observed at the base of the equipment. Work to control/contain releases, and to ensure good mechanical condition of the equipment appears to be insufficient.</p> <p>Corrective actions will remain applicable.</p> | | | |
| Corrective Action: | Control and contain spills/releases and clean up per Rule 912.a. 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: 05/22/2021 |

In Containment: No

Comment:

Previous inspection observed stained soils in front of a temporary diesel tank. Operator was required to comply with Rule 912.a.

It was observed in this inspection that the stained soils have been cleaned/removed. This corrective action has been addressed.

☐ Multiple Spills and Releases?**Tanks and Berms:**

| | | | | | |
|----------|---|----------|------|---------|--------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
|----------|---|----------|------|---------|--------|

| | | | | | |
|--------------------|--|--|--|--|-------|
| | | | | | |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|--------------------------------|
| Earth | | | | |
| Comment: | <p>Previous inspection observed that the integrity of the containment BMP at the tanks was inadequate.</p> <p>It was observed in this inspection that the secondary containment BMPs appears to remain inadequate to contain 150% of the volume of the tank. It was also observed that secondary containment for the other two tanks on the Location also appears inadequate.</p> | | | |
| Corrective Action: | <p>Repair or install berms or other secondary containment devices per Rule 603.o. Ensure secondary containment is adequate to contain 150% of the volume of the tank(s).</p> <p>If Operator believes containment is adequate in accordance with Rule 603.o, the Operator will be required to submit calculations and figures (attached to a FIRR) including the diameter of the tanks, showing secondary containment complies with Rules.</p> | | | <p>Date: <u>06/24/2021</u></p> |

Venting:

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

Flaring:

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

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 _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Fail _____

Comment [Equipment/vehicles observed placed on areas subject to interim reclamation.](#)

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? 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 REVEGETATIONCropland

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? F

Comment See "COGCC Comments".

Corrective Action Comply with 1003 Rules and conduct reclamation on areas of the Location not needed for production.

Date 06/07/2021

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 ☐

COGCC Comments

| Comment | User | Date |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| <p>INTERIM RECLAMATION COMMENTS</p> <p>Previous inspections observed areas on the northwest, and southern end of the Location require reclamation in accordance with Rule 1003.b by 6/7/2021.</p> <p>Inspection #696202645 also observed that a sediment trap/pond was planned for construction on the southern areas of the Location as part of the construction of the Trail Gulch Unit 1090 /30.</p> <p>COGCC notified Operator within previous inspections, and within a phone meeting with the Principal Agent, that the corrective action to conduct interim reclamation will remain applicable for the identified areas, and for unused areas on the south end of the Location not part of the sediment trap, unless BMP is not constructed, at which point all unused, disturbed areas will remain subject to Rule 1003.b.</p> <p>It was observed in this inspection that interim reclamation of areas not needed for production has not been performed in accordance with 1003 rules; equipment observed stored on the northwestern areas. Trailer observed stored on the southern areas, sediment trap/pond has not been constructed.</p> <p>This corrective action has not been addressed and remains applicable.</p> | trujilloam | 06/17/2021 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 402722415 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5458285 |
| 696202823 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5458255 |