

**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:

04/04/2022

Submitted Date:

04/06/2022

Document Number:

696203553

FIELD INSPECTION FORMLoc ID 412922 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:

9 Number of Comments

7 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	
		geops@oxbow.com	
		Heather.Lang@oxbow.com	
Longworth, Mike		michael.longworth@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
412922	LOCATION	AC			-	DGU Federal 1289 17-11 Pad	RI
436561	WELL	AL	11/01/2018	LO	051-06123	DGU Federal 1289 17-11 CS2	RI

General Comment:

On 4/4/2022 Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Gunnison Energy's DGU Federal 1289 17-11 pad location in Gunnison County, Colorado.

This inspection is a followup to #696202043 to document compliance with the following corrective actions:
§34-60-121(1)(a), C.R.S.: Form 4 condition requirements- Signage

It was observed in this inspection that the Location remains out of compliance with corrective actions and Form 4 COAs

It was also observed that the following corrective actions per inspection #701102294 (dated 12/2/2021) remain applicable:

- Legal description illegible on well sign.
- Heated separator has a glycol storage tank with no labeling.
- Tank battery sign missing information per Rule 605.e.. EMS# or 911, Nearest public road, and API#.
- Telephone number for local emergency services (911 where available); not posted on tank battery sign.

Inspector included on report for notification purposes.

The following NEW compliance issues per this inspection were observed:

- Secondary containment
- Plugging and abandonment of conductor.

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: ☐

Signs/Marker:			
Type	BATTERY		
Comment:	<p>Inspection #701102294 observed tank battery sign missing information per Rule 605.e., EMS# or 911, Nearest public road, and API#. Inspection required Operator to comply with Rule 605.e by 3/3/2022.</p> <p>It was observed that signage remains inadequate; CA has not been addressed and remains applicable.</p>		
Corrective Action:	Install sign to comply with Rule 605.e.	Date:	03/03/2022
Type	OTHER		
Comment:	<p>Pursuant to conditions within the 502.b Delayed Interim Reclamation NTO document #401463219, Operator was required to post a sign at the location entrance stating the following: "A COGCC variance has been approved to delay the commencement of interim reclamation to no later than December 9, 2022".</p> <p>Inspection #696202043 observed that signage with required information has not been installed at the Location entrance in a plainly visible manner, in accordance with Form 4 conditions.</p> <p>It was observed that signage remains inadequate; CA has not been addressed and remains applicable.</p>		
Corrective Action:	Comply with Form 4 #401463219 and post a sign at the location entrance stating the following: " A COGCC variance has been approved to delay the commencement of interim reclamation to no later than December 9, 2022".	Date:	03/15/2019
Type	TANK LABELS/PLACARDS		
Comment:	<p>Inspection #701102294 observed labeling missing from the heated separator w/ glycol storage tank. Inspection required Operator to comply with Rule 605.h by 3/3/2022.</p> <p>It was observed that signage remains inadequate; CA has not been addressed and remains applicable.</p>		
Corrective Action:	Install sign to comply with Rule 605.h.	Date:	03/03/2022
Type	WELLHEAD		
Comment:	<p>Inspection #701102294 observed Legal description illegible on well sign. Inspection required Operator to comply with Rule 605.d and 605.g by 3/3/2022.</p> <p>It was observed that signage remains inadequate; CA has not been addressed and remains applicable.</p>		
Corrective Action:	Install sign to comply with Rule 605.d. Install sign to comply with Rule 605.g	Date:	03/03/2022

Emergency Contact Number:

Comment: Inspection #701102294 observed Telephone number for local emergency services (911 where available); not posted on tank battery sign. Inspection required Operator to comply with Rule 605.e by 1/3/2022.

It was observed that signage remains inadequate; CA has not been addressed and remains applicable

Corrective Action: Install sign to comply with Rule 605.e. by 1/3/2022

Date: 01/03/2022

Overall Good: ☐

Spills:			
Type	Area	Volume	

In Containment: No

Comment:

☐ 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	
Other	Inadequate			Inadequate	
Comment:	Secondary containment for tank located next to well 051-06079 has filled with fluid, and is no longer adequate to contain a spill.				
Corrective Action:	Maintain BMP, remove and properly dispose fluids within containment.				Date: 04/08/2022

Venting:

Yes/No			
Comment:			
Corrective Action:			Date:

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities

Facility ID: 412922 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Facility ID: 436561 Type: WELL API Number: 051-06123 Status: AL Insp. Status: RI

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: 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 _____

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 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? _____

Comment Operator received a 502.b Delayed Interim Reclamation variance. See Sundry #401463219 for additional details; variance expires 12/9/2022; interim reclamation work on the Location is required to be completed by 12/9/2022. A followup inspection will be conducted to document compliance with 1003 rules and Sundry Conditions of Approval.

Corrective Action _____ Date _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND

Reminder: _____

Comment: _____

Well plugged Fail Pit mouse/rat holes, cellars backfilled Fail

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: _____

COGCC Records show Well API #051-06123 is abandoned; Operator submitted Form 42 (402497665) notice for plugging operations with a start date of 9/28/2020.

It was observed in this inspection that the conductor and cellar for this well have not been plugged and reclaimed per Rule 406 requirements; conductor and cellar remaining; plate on top of the conductor pipe not welded per requirements. No Form 4 - "Report of work done" to report plugging of the conductor has been submitted.

Well conductor requires plugging and reclamation.

Corrective Action: **Comply with Rule 406.e.(4)**

Date **05/31/2022**

Overall Final Reclamation ☐

Well Release on Active Location ☐

Multi-Well Location ☐

Attached Documents

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

Document Num	Description	URL
696203554	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5716061