

**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:

696203551

FIELD INSPECTION FORM

Loc ID 324485	Inspector Name: Trujillo, Aaron	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____	Status Summary: <input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED Findings: 10 Number of Comments 7 Number of Corrective Actions <input checked="" type="checkbox"/> Corrective Action Response Requested
Operator Information: OGCC Operator Number: 10515 Name of Operator: GUNNISON ENERGY LLC Address: 1801 BROADWAY #1150 City: DENVER State: CO Zip: 80202				ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE

Contact Information:

Contact Name	Phone	Email	Comment
		geops@oxbow.com	
		Tyson.Johnston@oxbow.com	
		Heather.Lang@oxbow.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
283917	WELL	SI	01/01/2022	GW	051-06075	HOTCHKISS FEDERAL 12-89 18-43	RI
324485	LOCATION	AC			-	DGU Federal 1289 18-43 Pad	RI
436560	WELL	XX	09/14/2016	LO	051-06122	DGU Federal 1289 18-43 CS3	RI
436617	WELL	SI	12/01/2021	LO	051-06126	DGU Federal 1289 18-43 CS2	RI

General Comment:

On 4/4/2022 Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Gunnison Energy's DGU Federal 1289/18-43 pad location in Gunnison County, Colorado.

The following compliance issues were observed during this inspection:

- Interim Reclamation
- Stormwater
- Wildlife protection devices
- Secondary containment
- Storage of unused equipment.

Refer to the "Location", "Reclamation" and "Stormwater" 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:	Unused equipment observed improperly stored along access road east of the Location entrance.		
Corrective Action:	Comply with Rule 606.		Date: 05/06/2022

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Equipment:**

Type:	# 2		corrective date
Comment:	It was observed that BMPs to prevent wildlife access, to the secondary containment BMPs for the "produced water" barrels at the wells is missing or insufficient.		
Corrective Action:	Install BMPs to prevent wildlife access.		Date: 04/21/2022

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	2	<50 BBLS	OTHER		,
Comment:	Operator appears to be using barrels connected at the well to collect produced water. Barrel placed at well 051-06075 has fallen over and is not in proper functioning condition.				
Corrective Action:	Maintain barrel.				Date: 04/08/2022

Paint

Condition	<input type="text"/>	
Other (Content)	<input type="text"/>	
Other (Capacity)	<input type="text"/>	
Other (Type)	<input type="text"/>	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Other	Inadequate			Inadequate
Comment:	It was observed in this inspection that the secondary containment BMPs for the "produced water" barrels located at the wells have filled with fluids, 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	<input type="text"/>		
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Inspector Name: Trujillo, Aaron

Comment:			
Corrective Action:		Date:	
Flaring:			
Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities

Facility ID: <u>283917</u>	Type: <u>WELL</u>	API Number: <u>051-06075</u>	Status: <u>SI</u>	Insp. Status: <u>RI</u>
Facility ID: <u>324485</u>	Type: <u>LOCATION</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>RI</u>
Facility ID: <u>436560</u>	Type: <u>WELL</u>	API Number: <u>051-06122</u>	Status: <u>XX</u>	Insp. Status: <u>RI</u>
Facility ID: <u>436617</u>	Type: <u>WELL</u>	API Number: <u>051-06126</u>	Status: <u>SI</u>	Insp. Status: <u>RI</u>

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

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

Land Use: RANGELAND

Comment: [Form 2A 400537258 states size of disturbance area during construction is 2.79 acres; total disturbance area is ~4 acres- Location exceeds permitted disturbance area.](#)

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? FailComment [Anchors observed on Location missing required marking](#)Corrective Action [Comply with 1003.a](#)Date **05/06/2022**

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? Fail

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 Fail Recontoured Fail 80% Revegetation Fail

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 All wells on the Location have been drilled, or permits expired.

It was observed in this inspection that interim reclamation in accordance with 1003 Rules has not been performed on the Location; working pad has not been reduced to only areas reasonably needed for production. Form 2A 400537258 states size of disturbance area during construction is 2.79 acres, reduced to 1.21 acres after interim reclamation; Total disturbance area of the Location is ~4 acres, production area currently ~2 acres.

Corrective Action Comply with 1003 rules.

Date 05/31/2022

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

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

Final Land Use: RANGELAND

Reminder: _____

Comment: Permit for well 051-06122 expired- well has not been drilled. No Form 4 to abandon the well has been submitted.

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 <input type="checkbox"/>		Multi-Well Location <input type="checkbox"/>		

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: It was observed in this inspection that stormwater and erosion control measures to minimize erosion and degradation are missing or insufficient on the Location; BMPs missing or insufficient at the soil stockpile slopes on the northwest end of the Location, and the cut slopes on the east end of the Location; degradation evident.

Northern inlet at the sediment trap on the east end of the Location has not been installed per good engineering practices, or maintained in proper functioning condition; stormwater runoff into trap has resulted in gully erosion at inlet.

Corrective Action: Comply with 1002.f; implement and maintain Best Management Practices (BMPs) to minimize erosion, transport of sediment offsite, and site degradation.

Date: 04/21/2022

Pits: ☐ NO SURFACE INDICATION OF PIT

Attached Documents

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

Document Num	Description	URL
403006444	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5716066
696203552	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5716060