

**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:

11/01/2022

Submitted Date:

11/03/2022

Document Number:

696204282

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:

10 Number of Comments

2 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	
Grey, Daniel		daniel.gray@usda.gov	
		geops@oxbow.com	
Toews, Wesley		wtoews@blm.gov	
,		dnr_cogccenforcement@state.co.us	
Kosola, Jason		jason.kosola@state.co.us	
		heather.lang@oxbow.com	
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
Fischer, Alex		alex.fischer@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
120678	GAS COMPRESSOR STATION	AC	12/04/2001		-	RAGGED MTN COMPRESSOR STA 120678	RI
211700	WELL	SI	07/01/2021	GW	051-06022	FEDERAL 30-4	RI
324464	LOCATION	AC			-	FEDERAL-610S90W 30SWSE	RI

General Comment:

On 11/1/2022, Reclamation Specialist Trujillo, and Reclamation Supervisor Arthur met with representatives from BLM, USFS and Gunnison Energy at Gunnison Energy LLC's Federal 30-4 location in Gunnison County, Colorado.

This inspection is a followup to:

#696202645 dated 5/6/2021;

#696202706 dated 5/21/2021;

#696202822 dated 6/15/2021;

#696202954 dated 7/21/2021;

#696203025 dated 8/3/2021;

#696203170 dated 9/4/2021

and #696203545 dated 4/4/2022 to document compliance with the following corrective actions:

-Stormwater

-Good Housekeeping

-Secondary containment

-Interim Reclamation

This inspection is also in response to Resolution #403052855 stating Corrective Actions have been completed.

This inspection is also a followup to NOAV #403040539 issued 5/6/2022

It was observed that this Location remains out of compliance with COGCC Rules, corrective actions and NOAV abatement requirements.

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: 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
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate
Comment:	See "Comment #1" under "COGCC Comments" at the end of this report, for comments regarding secondary containment.			
Corrective Action:				Date:

Venting:

Yes/No		
Comment:		
Corrective Action:		Date:

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities

Facility ID:	<u>120678</u>	Type:	<u>GAS</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>RI</u>
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Facility ID:	<u>211700</u>	Type:	<u>WELL</u>	API Number:	<u>051-06022</u>	Status:	<u>SI</u>	Insp. Status:	<u>RI</u>
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Facility ID:	<u>324464</u>	Type:	<u>LOCATION</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>RI</u>
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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 _____

[See "Comment #2" under "COGCC Comments" at the end of this report for comments regarding Surface Disturbance Minimization.](#)

Corrective Action _____

Comply with NOAV #403040539 Abatement or Corrective Action requirements.

Date **06/05/2022**

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? 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 _____ 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 [See "Comment #3" under "COGCC Comments" at the end of this report, for comments regarding interim reclamation.](#)

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

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: [See "Comment #4" under "COGCC Comments" at the end of this report, for comments regarding closure of the Ragged Mountain Compressor Station Facility.](#)

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

Comment:

Previous inspections observed that BMPs at a soil stockpile were missing or insufficient; straw wattles remain inadequate- BMP has not been installed in accordance with good engineering practices, or maintained in a proper functioning condition.

Operator submitted FIRR #403052855 stating soils were "integrated back into fill slope ditch, compacted and stabilized as secondary runoff control..."

It was observed in this inspection that the soil stockpile has been removed from this Location; corrective action is no longer applicable, however it is noted that Operator failed to comply with the corrective action, Rules 1002.f and 1002.c.

Corrective Action:

Date: _____

Pits: ☐ NO SURFACE INDICATION OF PIT**COGCC Comments**

Comment	User	Date
<p>COMMENT #1</p> <p>Inspection on 5/21/2021 observed that secondary containment devices to contain a spill were not in proper functioning condition at the tank battery facility. Inspection required Operator to repair or install berms, or other secondary containment devices at the tank battery facility. Six (6) follow-up inspections between 6/15/2021 and 4/4/2022 observed that secondary containment at the tanks remain missing or insufficient; NOAV #403040539 was issued on 5/6/2022 requiring compliance with the corrective action(s).</p> <p>Operator submitted FIRR #403052855 stating corrective action was completed on 5/13/2022.</p> <p>It was observed in this inspection that additional berms at the tank battery facility have been installed, and appear to be in proper functioning condition and adequate for the facility. This corrective action has been addressed.</p>	trujilloam	11/03/2022
<p>COMMENT #2</p> <p>Inspection dated 7/21/2021 observed unused equipment, and other supplies not necessary for use improperly stored on off-site areas adjacent to (north of) the Location. Subsequent inspections between 8/3/2021 and 11/24/2021 observed unused equipment/supplies remain improperly stored off-site; inspection on 4/4/2022 observed unused equipment/supplies had been removed.</p> <p>Operator failed to minimize their land disturbances; NOAV #403040539 was issued 5/6/2022 requiring Operator to conduct and submit (attached to a Form 4) a detailed assessment of the disturbed areas attached to NW Reclamation Specialist Trujillo by 6/5/2022.</p> <p>It was observed in this inspection that the disturbed areas where unused equipment/supplies were improperly stored is apparent, noxious weeds were observed, and no Form 4 with the required assessment information per the NOAV has been submitted.</p> <p>NOAV abatement or corrective action requirements have not been addressed.</p>	trujilloam	11/03/2022

<p>COMMENT #3</p> <p>Inspection on 5/6/2021 and observed disturbed areas on the northwest end of the Location that are no longer needed for production and require interim reclamation. Inspection required Operator to comply with Rule 1003.b by 6/7/2021. Five (5) follow-up inspections between 6/15/2021 and 4/4/2022 observed that interim reclamation had not been performed; NOAV #403040539 was issued 5/6/2022 requiring compliance with the corrective action(s).</p> <p>Operator submitted FIRR #403052855 stating corrective action was completed on 5/13/2022.</p> <p>It was observed in this inspection that reclamation of areas no longer needed for production has not been performed. Corrective actions from previous inspections, and NOAV #403040539 have not been addressed, and remain applicable.</p>	trujilloam	11/03/2022
<p>COMMENT #4</p> <p>Previous inspections observed that the Ragged Mountain Compressor Station Facility had been decommissioned; Operator provided no documentation or Form 27 seeking authorization to decommission the Facility.</p> <p>On 05/06/2022, NOAV #403040539 was issued requiring Operator to comply with Rules 911.a, 913.c.(9), and submit a Form 27 for the decommissioning of the Ragged Mountain Compressor Station Facility by 5/9/2022.</p> <p>On 5/9/2022, Operator submitted an Initial Form 27 #403042644 ("Form 27(I)") for Facility closure per the NOAV corrective action.</p> <p>It is being noted in this inspection that:</p> <p>1) The Form 27(I) states that "the Ragged Mountain Compressor and related compression equipment have been removed from location";</p> <p>2) The "reclamation plan" within the Form 27(I) states that "areas no longer necessary for current well operations were recontoured and underwent seed casting Fall 2021. Vegetation growth is being monitored. Reclamation success will be evaluated June 2022 after adequate time of growth is allowed post-snowmelt";</p> <p>3) Conditions of Approval attached to the Form 27(I) required that "All risers associated with the former facility, including both flowline and gathering line risers must be removed per 1004 Rules";</p> <p>4) Conditions of Approval attached to Subsequent Form 27 #403105594 required Operator to verify the date(s) "areas no longer necessary for current well operations" were reclaimed (see "2" within this comment above).</p> <p>It was observed in this inspection that 1) various surface equipment, such as pipe, risers, etc... that appear to have been associated with the former facility remain on the Location, 2) reclamation work of all facility areas no longer necessary is not apparent, or has not been performed, and 3) unable to find documentation verifying reclamation dates per the Form 27(s) COA.</p> <p>This issue is being forwarded to the COGCC Environmental Group.</p>	trujilloam	11/03/2022

Attached Documents

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

Document Num	Description	URL
696204283	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5904756