

**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:

10/30/2022

Submitted Date:

11/03/2022

Document Number:

696204284

FIELD INSPECTION FORM

Loc ID 324485 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

Operator Information:

OGCC Operator Number: 10515
Name of Operator: GUNNISON ENERGY LLC
Address: 1801 BROADWAY #1150
City: DENVER State: CO Zip: 80202

Findings:

- 10 Number of Comments
- 3 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
		Heather.Lang@oxbow.com	
		john.noto@state.co.us	
		fenton.buchanan@state.co.us	
		Tyson.Johnston@oxbow.com	
		dave.kubeczko@state.co.us	
		geops@oxbow.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
283917	WELL	PR	02/01/2022	GW	051-06075	HOTCHKISS FEDERAL 12-89 18-43	RI
324485	LOCATION	AC			-	DGU Federal 1289 18-43 Pad	RI
436560	WELL	EP	11/29/2018	LO	051-06122	DGU Federal 1289 18-43 CS3	RI
436617	WELL	PR	02/01/2022	CBM	051-06126	DGU Federal 1289 18-43 CS2	RI

General Comment:

On 11/1/2022, Reclamation Specialist Trujillo, and Reclamation Supervisor Arthur inspected Gunnison Energy LLC's DGU Federal 1289/18-43 Pad location in Gunnison County, Colorado.

This inspection is a followup to #696203551 dated 4/4/2022 to document compliance with the following corrective actions:

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

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

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: Refer to inspection #7011033222 dated 7/1/2022 for CA regarding 605.h labeling requirements.

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

Location

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

Type STORAGE OF SUPL

Comment: Previous inspection observed unused equipment improperly stored along the access road east of the Location entrance. Inspection required Operator to comply with Rule 606.

It was observed in this inspection that equipment has been removed. This CA has been addressed.

Corrective Action:

Date: _____

Overall Good:

Spills:

Type	Area	Volume

In Containment: No

Comment:

Multiple Spills and Releases?

Equipment:

corrective date

Type: # 2

Comment: Previous inspection observed BMPs to prevent wildlife access to the secondary containment BMPs, for the "produced water" barrels at the wells is missing or insufficient. Inspection required operator to implement BMPs to prevent wildlife access.

It was observed in this inspection that wire mesh was placed over containment to prevent wildlife access. This CA has been addressed.

Corrective Action:

Date: _____

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	2	<50 BBLS	OTHER		

Comment: Previous inspection observed barrels connected at wells to collect produced water have fallen over, and are not functioning as intended. Inspection required Operator to maintain barrels

Barrels have been maintained. CA has been addressed.

Corrective Action:

Date: _____

Paint

Condition:

Other (Content) _____

Other (Capacity) _____

Other (Type) _____

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance

Comment:		
Corrective Action:		Date:

Venting:

Yes/No		
Comment:		
Corrective Action:		Date:

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities

Facility ID: 283917 Type: WELL API Number: 051-06075 Status: PR Insp. Status: RI

Facility ID: 324485 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Facility ID: 436560 Type: WELL API Number: 051-06122 Status: EP Insp. Status: RI

Facility ID: 436617 Type: WELL API Number: 051-06126 Status: PR 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 _____

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? Fail

Comment [Anchors observed on Location missing required marking, or markers have not been maintained.](#)

Corrective Action [Comply with 1003.a](#)

Date **11/18/2022**

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 REVEGETATION

Cropland

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 See "Reclamation Comment" under "COGCC Comments at the end of this report."

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: _____

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
Comment: See "Stormwater Comment" under "COGCC Comments at the end of this report."						Date: <u>04/21/2022</u>
Corrective Action: Comply with 1002.f; implement and maintain Best Management Practices (BMPs) in accordance with good engineering practices to minimize erosion, transport of sediment offsite, and site degradation.						
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						

COGCC Comments

Comment	User	Date
<p>STORMWATER COMMENT</p> <p>Inspection #696203551 observed 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. Inspection required Operator to comply with 1002.f.</p> <p>It was observed in this inspection that stormwater and erosion control measures to minimize erosion and degradation are missing or insufficient on the Location; unable to find evidence that work was conducted per good engineering practices:</p> <ul style="list-style-type: none"> -Gully erosion at sediment trap inlet remains evident; sediment trap has not been constructed with a properly engineered inlet; inlet has not been repaired/maintained per good engineering practices. -Soils at the soil stockpile slopes on the northwest end of the Location remain bare and at risk to wind and water erosion. -Erosion degradation remains apparent at cut slopes on the east end of the Location. <p>Corrective action has not been addressed, and remains applicable.</p>	trujilloam	11/03/2022
<p>RECLAMATION COMMENT</p> <p>Inspection #696203551 observed 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.</p> <p>It was also noted that Form 2A #400537258 states the size of disturbance area during construction is 2.79 acres, reduced to 1.21 acres after interim reclamation. The total disturbance area of the Location is approximately 4 acres in size, and the current production area is currently ~2 acres; OGLA/Permitting included on report for notification purposes.</p> <p>Inspection required Operator to comply with 1003 rules by 5/31/2022.</p> <p>It was observed in this inspection that interim reclamation in accordance with 1003 rules has not been performed; Location remains unchanged.</p> <p>Original Corrective Action and date remains applicable.</p>	trujilloam	11/03/2022
<p>Form 2 permit for API 05-051-06122 expired 11/29/2018- no records evident showing well is being re-permitted.</p> <p>Submit Form 4 to abandon well permit.</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
403218834	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5905239
696204285	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5905236