

**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:

08/14/2023

Submitted Date:

08/16/2023

Document Number:

708300779

FIELD INSPECTION FORMLoc ID 427218 Inspector Name: Morris, Matthew 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:**

17 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 |
|------------------|-------|-----------------|---------|
| Energy, Gunnison | | geops@oxbow.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------------------------|-------------|
| 427223 | WELL | PR | 10/01/2021 | GW | 051-06103 | DGU Hotchkiss Federal 1289 18-H1 | PR |
| 427241 | WELL | PR | 10/01/2021 | GW | 051-06104 | DGU Hotchkiss Federal 1289 18-H2 | PR |
| 436613 | WELL | WO | 08/21/2014 | LO | 051-06124 | DGU Federal 1289 18-CS2 | WO |
| 436614 | WELL | WO | 08/13/2014 | LO | 051-06125 | DGU Federal 1289 18-CS1 | WO |

General Comment:**COGCC Inspection Report Summary**

On 8/14/2023 at approximately 12:15, Compliance Inspector Matthew Morris conducted an on-site inspection at GUNNISON ENERGY LLC, DGU Federal 1289/Section 18 Pad at Location ID #427218 in Gunnison County, Colorado.

Normal production operations were observed. Corrective actions from FIR #696205086 remain in effect.

During the inspection, the following compliance issues were observed:

- 1) Open-ended hoses at pump near tank battery
- 2) Damaged berm liner
- 3) Stormwater; refer to Stormwater section

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

This location is within or in close proximity to, a CPW Density/High Priority Habitat, Black Bear, NSO Habitat, or Wildlife Management area.

LocationOverall Good: ☐**Signs/Marker:**

| | | | |
|--------------------|--|-------|------------|
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Separator units include attached storage tanks. The sight glass on the side of the unit indicates that the storage tank contains an unknown fluid. No form of labeling or markers is present to identify a potential hazard or the contents of the storage tank. | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Refer to FIR #696205086 | | |
| Corrective Action: | Refer to FIR #696205086 | Date: | 07/10/2023 |

Emergency Contact Number:

Comment: 911/(970) 874-7697

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---------------------------------------|-------|------------|
| Type | OTHER | | |
| Comment: | Open-ended hoses near tank battery. | | |
| Corrective Action: | Secure hoses to comply with Rule 608. | Date: | 08/31/2023 |

Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Fencing/:**

| | | | |
|--------------------|---------------------|-------|--|
| Type | WELLHEAD | | |
| Comment: | Livestock paneling | | |
| Corrective Action: | | Date: | |
| Type | LOCATION | | |
| Comment: | Barbed wire fencing | | |
| Corrective Action: | | Date: | |

Equipment:

| | | | |
|---------------------------|----------------|--|-----------------|
| Type: Ancillary equipment | # 3 | | corrective date |
| Comment: | Chemical tanks | | |

| | | | |
|-----------------------------------|-----------------------------------|-------|--|
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # 7 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 2 | | |
| Comment: | Bradenhead valves are accessible. | | |
| Corrective Action: | | Date: | |
| Type: Deadman # & Marked | # 9 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 4 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Other | # 1 | | |
| Comment: | Line heater | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|------------------|---------|--------|
| PRODUCED WATER | 2 | 400 BBLs | HEATED STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|-------------------------|---------------------|---------------------|------------------|
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Comment: | Refer to FIR #696205086 | | | |
| Corrective Action: | Refer to FIR #696205086 | | | Date: 07/10/2023 |

Venting:

| | |
|--------|----|
| Yes/No | NO |
|--------|----|

Inspector Name: Morris, Matthew

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

Inspected FacilitiesFacility ID: 427223 Type: WELL API Number: 051-06103 Status: PR Insp. Status: PR**Producing Well**

Comment:

Corrective Action:

Date:

Facility ID: 427241 Type: WELL API Number: 051-06104 Status: PR Insp. Status: PR**Producing Well**

Comment:

Corrective Action:

Date:

Facility ID: 436613 Type: WELL API Number: 051-06124 Status: WO Insp. Status: WOFacility ID: 436614 Type: WELL API Number: 051-06125 Status: WO Insp. Status: WO

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

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|---|
| Rip Rap | | | | | | |
| | | Rip Rap | | | | |
| Ditches | | | | | | |
| Gravel | Fail | | | | | Insufficient gravel |
| | | Drains | | | | |
| | | Other | Fail | | | Unprotected soil stockpiles |
| Compaction | Fail | | | | | Location lacks stabilization |
| | | Ditches | | | | |
| Sediment Traps | | | | | | |
| | | | | Material Handling And Spill Prevention | | Chemical tanks in secondary containment |
| | | Berms | | | | |
| | | Sediment Traps | | | | |
| Seeding | | | | | | |
| | | Retention Ponds | | | | |
| Check Dams | | | | | | |
| | | Culverts | | | | |
| | | Check Dams | | | | |
| Other | Fail | | | | | Insufficient vehicle tracking BMPs |
| Retention Ponds | | | | | | |
| | | Gravel | | | | |
| | | Compaction | | | | |
| Berms | | | | | | |
| Culverts | | | | | | |

Comment: 1) Location surface lacks stabilization with insufficient vehicle tracking BMPs in place to minimize transportation of sediment.
 2) Unprotected soil stockpiles on lease road
 3) Refer to FIR #696205086 for other corrective actions

Corrective Action: 1) Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations to comply with Rule 1002.

Date: 08/31/2023

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 |
|--------------|----------------------|---|
| 403499692 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6222423 |

| | | |
|-----------|-----------|---|
| 708300791 | Photo Log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6222416 |
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