

**FORM  
INSP**Rev  
X/15**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:

09/16/2019

Submitted Date:

09/23/2019

Document Number:

696200782**FIELD INSPECTION FORM**Loc ID 303599 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: \_\_\_\_\_**Operator Information:**OGCC Operator Number: 10112Name of Operator: FOUNDATION ENERGY MANAGEMENT LLCAddress: 5057 KELLER SPRINGS RD STE 650City: ADDISON State: TX Zip: 75001**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**7 Number of Comments2 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
Arthur, Denise		denise.arthur@state.co.us	
,		dnr_cogccenforcement@state.co.us	
,		regulatory@foundationenergy.com	All inspections

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
253342	WELL	SI	06/01/2019	GW	125-07219	GROSECLOSE 31-30	RI
303599	LOCATION	AC			-	GROSECLOSE-64S43W 30NWNE	RI

**General Comment:**

On 09/16/2019, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Foundation Energy's Groseclose 31-30 location in Yuma County, Colorado.

It was documented that stormwater runoff location has caused erosion degradation on both the location and the adjacent lands.

The following alleged compliance issues were observed during this inspection:

1002.f: Stormwater management

1002.e: Surface disturbance minimization.

Refer to the "Stormwater" and "Reclamation" sections of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

Due to the significant nature, extent, or duration of this alleged rule violation immediate referral to enforcement is required. Operator is directed to perform corrective actions outlined on this inspection report immediately. Doing so may decrease the duration of the alleged violations and the penalties that may be assessed pursuant to Rule 523.

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

Inspected Facilities									
Facility ID:	<u>253342</u>	Type:	<u>WELL</u>	API Number:	<u>125-07219</u>	Status:	<u>SI</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>303599</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 \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1002c. PROTECTION OF SOILS \_\_\_\_\_ Fail \_\_\_\_\_

Comment \_\_\_\_\_

Site insufficiently stabilized and/or insufficient BMPs in place to protect location/soils.

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1002E. SURFACE DISTURBANCE MINIMIZATION \_\_\_\_\_ Fail \_\_\_\_\_

Comment \_\_\_\_\_

Stormwater runoff has caused erosion degradation on the location and adjacent lands.

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 ? Fail

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 REVEGETATION**Cropland

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 It was observed that stormwater has caused erosion degradation on the location with the pad no longer sufficiently stabilized. Additionally, it was observed that stormwater runoff has caused erosion degradation to the adjacent lands south of the location, with sediment deposition evident within a designated intermittent stream/drainage in violation of 1002.e and 1002.f. See attached photos.

Corrective Action Foundation shall conduct reclamation in accordance with COGCC 1000 series rules on the degraded adjacent lands due to stormwater runoff. Foundation shall establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of pre-disturbance or reference area levels. A seed mixture requested by the surface owner, or a mixture prescribed by the local county NRCS will be used. Foundation will ensure erosion controls are implemented to stabilize the seeded soil. Foundation shall conduct ongoing reclamation and stormwater monitoring/management until passing "Final Reclamation" pursuant to 1004 rules.

Date 09/16/2019Overall Interim Reclamation Fail**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: \_\_\_\_\_

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
	Fail		Fail			

Comment: It was observed that stormwater has caused erosion degradation on the location with the pad no longer sufficiently stabilized. Additionally, it was observed that stormwater runoff has caused erosion degradation to the adjacent lands south of the location, with sediment deposition evident within a designated intermittent stream/drainage in violation of 1002.e and 1002.f. See attached photos.

Corrective Action: **SEE "COGCC COMMENTS" FOR CORRECTIVE ACTION REGARDING STORMWATER**

Date: 09/16/2019

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

Comment	User	Date
<p><b>STORMWATER CORRECTIVE ACTION</b></p> <p>Foundation shall</p> <p>1) Repair erosion degradation on the location, and erosion degradation on the adjacent lands damaged due to stormwater runoff from the location.</p> <p>and</p> <p>2) Install/repair and maintain required stormwater and erosion control BMPs on the disturbed adjacent lands, and BMPs on the location that will allow for allow for sediment laden free stormwater discharge from the location in accordance with 1002.f and 1002.f.(3).</p> <p>Stormwater sediment and erosion control BMPs will be site specific, installed in accordance with good engineering practices and maintained in proper functioning condition; if it is determined that a specific BMP is insufficient to mitigate degradation to the site, cannot be implemented per installation specification, or maintained in effective operating condition, then alternative BMPs that are better suited to meet the site's conditions will be considered and applied, or used in conjunction.</p> <p>Operator shall conduct ongoing stormwater monitoring/management until passing "Final Reclamation" pursuant to 1004 rules.</p>	trujilloam	09/23/2019

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

Document Num	Description	URL
402184864	INSPECTION SUBMITTED	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4943630">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4943630</a>
696200783	Inspection Photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4943629">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4943629</a>