

**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:

10/09/2019

Submitted Date:

10/10/2019

Document Number:

696200815**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:8 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
		denise.arthur@state.co.us	
		dnr_cogccenforcement@state.co.us	
		regulatory@foundationenergy.com	

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 10/09/2019, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Foundation Energy's Groseclose 31-30 location in Yuma County, Colorado.

This inspection is a follow-up inspection to inspection #696200782 to document compliance for the following corrective actions:

1002.f: Stormwater management

1002.e: Surface disturbance minimization.

This inspection is also a follow-up in response to FIR Resolution form #402187893 stating Corrective action 1 (#130916) and #2 (#130917) from inspection 696200782 have been completed stating:

1) Stormwater management and surface disturbance minimization resolved and

2) Stormwater management corrected

COGCC Decision for item #1 was "Approved Pending Re-inspection".

COGCC Decision for item #2 was "Not Approved"; insufficient documentation.

The following alleged compliance issues were observed during this inspection:

1002.f: Stormwater management

1002.e: Surface disturbance minimization.

It was documented that stormwater erosion degradation on the pad has been repaired. However, soils have not been stabilized and no stormwater erosion control BMPs have been installed per corrective actions.

It was also documented that the degraded areas south of the location due to stormwater runoff has not been repaired and reclaimed, and stormwater and erosion control BMPs have not been installed.

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:	253342	Type:	WELL	API Number:	125-07219	Status:	SI	Insp. Status:	RI
Facility ID:	303599	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	RI

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 _____ Fail _____

Comment _____

Site remains insufficiently stabilized and/or insufficient BMPs in place to protect/stabilize location/soils; soils remain loose and at risk of erosion degradation.

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Fail _____

Comment _____

Stormwater runoff has caused erosion degradation on the location and adjacent lands. No reclamation activities to repair degradation observed.

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 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 "COGCC COMMENTS" FOR COMMENTS REGARDING RECLAMATION](#)

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 predisturbance 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 <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
	Fail		Fail			

Comment:	SEE "COGCC COMMENTS" FOR COMMENTS REGARDING STORMWATER	
Corrective Action:	SEE "COGCC COMMENTS FOR COMMENTS REGARDING STORMWATER CORRECTIVE ACTIONS"	Date: 09/16/2019

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>RECLAMATION COMMENT</p> <p>Previous inspections documented that stormwater has caused erosion degradation on the location, with the pad no longer sufficiently stabilized. It was also documented 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. Corrective actions required operator to conduct reclamation on the adjacent lands degraded due to stormwater runoff from Foundation's location.</p> <p>It was observed in this inspection that no activities to repair/reclaim the adjacent lands have been conducted per the corrective actions; Gulley erosion and sediment deposition within intermittent stream/drainage remains evident.</p> <p>Resolution #402187893 stating "Corrective Action Complete" is not correct and may be considered false reporting</p> <p>Original corrective action and date remains applicable.</p>	trujilloam	10/10/2019

<p>STORMWATER COMMENT</p> <p>Previous inspections documented that stormwater has caused erosion degradation on the location, with the pad no longer sufficiently stabilized. It was also documented 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. Corrective actions required operator to 1) Repair erosion degradation on location, and the adjacent lands damaged due to stormwater runoff from the location. And 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 sediment laden free stormwater discharge from the location in accordance with 1002.f and 1002.f.(3).</p> <p>It was observed in this inspection that no activities to repair/reclaim the adjacent lands have been conducted per the corrective actions; Gulley erosion and sediment deposition within intermittent stream/drainage remains evident.</p> <p>It was also observed that Operator repaired erosion on the pad, however no BMPs have been installed/maintained to stabilize the location and allow for sediment laden free stormwater discharge from the location.</p> <p>Corrective actions have not been addressed.</p> <p>Resolution #402187893 stating "Corrective Action Complete" is not correct and may be considered false reporting</p> <p>Original corrective action and date remains applicable.</p>	trujilloam	10/10/2019
<p>STORMWATER CORRECTIVE ACTION</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). 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	10/10/2019

Attached Documents

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

Document Num	Description	URL
402206008	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4960231
402206187	Inspection photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4960424
696200816	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4960217