

**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:

11/02/2022

Document Number:

696204280

FIELD INSPECTION FORM

Loc ID 453805 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:

- 16 Number of Comments
- 6 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
Kosola, Jason		jason.kosola@state.co.us	
Ferrin, Jeremy		jeremy.ferrin@state.co.us	
,		dnr_cogccenforcement@state.co.us	
Toews, Wesley		wtoews@blm.gov	
		heather.lang@oxbow.com	
Fischer, Alex		alex.fischer@state.co.us	
		daniel.gray@usda.gov	
		tyson.johnston@oxbow.com	
		geops@oxbow.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
453805	LOCATION	AC			-	Trail Gulch Unit 1090 30	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 Trail Gulch Unit 1090 30 location in Gunnison County, Colorado.

This inspection is also a followup to:

#696202704 dated 5/21/2021;

#696202820 dated 6/15/2021;

#696202952 dated 7/21/2021;

#696203017 dated 8/3/2021;

#696203160 dated 9/24/2021;

and #696203543 dated 4/4/2022 to document compliance with the following corrective actions:

- Stormwater
- Protection of soils, noxious weeds
- Materials handling and spill prevention
- Interim Reclamation
- Storage of unused equipment, or equipment not necessary for production.

This inspection is also a followup to NOAV #403040577 issued 5/6/2022.

This inspection is also in response to Resolution Nos. 403012556 and 403052903 stating Corrective Actions have been completed.

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

The following new compliance issues were observed during this inspection:

-Wildlife protection BMPs

-Protection of soils/Stormwater

Refer to the "Location Construction", "Location", "Environmental", 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.

Location

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action: Date: _____

Good Housekeeping:

Type	STORAGE OF SUPL		
Comment:	<p>Previous inspection observed various unused equipment or trash debris (crate/box, pipe, tubing, etc...) observed on Location. Inspection required Operator to comply with Rule 606.</p> <p>Operator submitted FIRR #403052903 stating CA has been completed.</p> <p>It was observed that all unused equipment, trash/debris, or equipment not necessary for production has been removed from the Location. This CA has been addressed.</p>		
Corrective Action:		Date:	

Overall Good:

Spills:

Type	Area	Volume			

In Containment: No

Comment:

Multiple Spills and Releases?

Equipment:

	#			corrective date
Type:				
Comment:	BMPs to prevent wildlife access were observed to be missing at the secondary containment BMP for the methanol tank adjacent to the well.			
Corrective Action:	Install or repair wildlife protection equipment.		Date:	11/07/2022

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Location Construction

Location ID: 453805 CDP: _____

Comment:

Corrective Action: Date: _____

Form 2A COAs:

Comment:

Corrective Action: Date: _____

Wildlife BMPs:

Comment:

Corrective Action:

Date: _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present

Comments: Erosion BMPs: See "Comment #1" under "COGCC Comments" at the end of this report regarding stormwater and erosion control BMPs at the cut slopes.

Other BMPs: Operator appears to have repaired erosion observed on fill slopes, applied straw mulch that was tracked in place in conjunction with seeding. Slopes appeared to be stabilized at time of inspection and vegetation establishment observed. This portion of the CA is considered "in process". Ensure BMPs are maintained in proper functioning condition.

Corrective Action: Comply with Rule 1002.f and install BMPs to minimize erosion/degradation/sediment transport, and to protect/stabilize the cut slopes of the Location. Date: 06/18/2021

	No		
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Comments: Erosion BMPs: See Comment #2 under "COGCC Comments" at the end of this report regarding stormwater and protection of topsoil stockpile.

Other BMPs:

Corrective Action: Comply with Rule 1002.f and Rule 1002.c. Date: 05/21/2021

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Comments: Erosion BMPs: Previous inspections observed that BMPs were missing or insufficient along the western perimeter; specifically, the silt fence implemented was not maintained in a proper functioning condition, per good engineering practices.

It was observed in this inspection that the silt fence has been removed, and a berm implemented along the perimeter. BMP at time of inspection appeared to be in proper functioning condition; ensure BMPs remain in proper functioning condition in accordance with Rule 1002.f.

Other BMPs:

Corrective Action: Date:

		Material Handling And Spill Prevention	
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Comments: Erosion BMPs: Previous inspection observed a methanol barrel missing BMPs to prevent or contain a spill. Inspection required Operator to implement and maintain spill prevention/containment BMPs.

Operator submitted FIRR 403052903 stating CA was completed.

It was observed in this inspection that barrel appears to have been removed from the Location. This CA has been resolved.

Other BMPs:

Corrective Action: Date:

Comment:

Corrective Action:

Date: _____

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Inspected Facilities

Facility ID: 453805 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Environmental

Waste Management:

Type	Management	Condition	GPS (Lat) (Long)
	Tanks		
Comment	Operator submitted Form 4 #402749045 on 7/16/2021 to request the use of four, 10,000 bbl minion tanks to manage E&P waste on the Location. Operator submitted Form 4 #403112804 on 07/21/2022 with a Waste Management Plan, related to the use of the Minion tanks for E&P waste management on the Location. However it was noted in the 4/4/2022 inspection (#696203543) that the minion tank facility and associated containment BMP had been removed from the Location.		
Corrective Action	Contact West Environmental Supervisor A. Fischer (alex.fischer@state.co.us) regarding possible closure and sampling requirements associated with the Minion tanks.		Date: 11/04/2022

Spill/Remediation:

Comment:

Corrective Action: Date:

Emission Control Burner (ECB):

Comment:

Pilot: Wildlife Protection Devices (fired vessels):

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 SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ Fail _____

Comment [See "Comment #3" under "COGCC Comments" at the end of this report regarding protection of soil stockpiles.](#)

Corrective Action **Comply with 1002.c and 1002.f; immediately remove soil stockpiles from the perimeter stormwater ditch and properly store. Implement BMPs in accordance with good engineering practices at all stockpiled soils to minimize erosion, degradation and sediment transport. Contact West Environmental Supervisor A. Fischer (alex.fischer@state.co.us) regarding possible additional Environmental requirements.**

Date **11/01/2022**

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? _____

Comment _____

Corrective Action _____

Date _____

1003b. Area no longer in use? Fail Production areas stabilized ? In
 1003c. Compacted areas have been cross ripped? Fail
 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? In Segregated soils have been replaced? Fail

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 "Comment #4" under COGCC Comments regarding interim reclamation.](#)

Corrective Action _____ Date _____

Overall Interim Reclamation In Process

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
<p>Comment: Sediment deposition observed within stormwater diversion ditches. Maintenance advised prior to BMP failure.</p> <p>See "Comment #3" under "COGCC Comments" for comments regarding stormwater issues related to soil stockpiles..</p>						<p>Date: 11/01/2022</p>
<p>Corrective Action: Comply with 1002.f; implement BMPs at the excavated sample pits within ditch along east end of the Location, in order to prevent potential impacts to stormwater runoff.</p>						
<p>Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT</p>						

COGCC Comments

Comment	User	Date
Location remains out of compliance with Abatement or Corrective Action requirements per NOAV #403040577.	trujilloam	11/02/2022
<p>COMMENT #1</p> <p>Previous inspections observed that control measures to minimize erosion/degradation, and to protect/stabilize the cut and fill slopes of the Location are missing or insufficient. Inspections required Operator to comply with 1002.f.</p> <p>Operator submitted Resolution #403052903 stating CA was completed</p> <p>It was observed in this inspection that BMPs remain missing or insufficient at the cut slope; Operator implemented "pot-holing" at cutslopes; BMP observed to be inadequate for the site's conditions, and per good engineering practices in order to minimize erosion/degradation, and to protect/stabilize the cut slopes; erosion degradation and sediment transport has persisted.</p>	trujilloam	11/02/2022
<p>COMMENT #2</p> <p>Previous inspection observed that BMPs to protect the topsoil stockpile from wind and water erosion in such a manner as to minimize erosion, degradation, and sediment transport, and to prevent weed establishment were missing or insufficient. Inspections required Operator to comply with Rule 1002.f and 1002.c by 5/21/2021.</p> <p>Operator submitted FIRR #403052903 stating CA completed.</p> <p>It was observed in this inspection that BMPs at the topsoil stockpile remain missing or insufficient:</p> <ul style="list-style-type: none"> -Though vegetative establishment is evident, there are large areas of the topsoil stockpile that remain bare and at risk to wind and water erosion. -BMPs to manage runoff, and to minimize sediment transport remain missing or insufficient along the southern perimeter of the topsoil stockpile. Additionally, the single row of erosion logs (straw wattles) implemented along the remaining perimeter of the stockpile has not been maintained in a proper functioning condition and is no longer adequate. -Noxious weed establishment (Musk thistle) was observed throughout the topsoil stockpile, though it is noted that Operator on site indicated that weeds had been sprayed approximately 4 times on the Location throughout the year. <p>Corrective action regarding stormwater and protection of soils have not been addressed and remain applicable.</p>	trujilloam	11/02/2022

<p>COMMENT #3</p> <p>As part of remediation efforts associated with Project #23148, Operator has conducted excavation operations to collect soil samples from 4 areas on the east end of the Location.</p> <p>Operator on site indicated that, at time of inspection, the soil sample analytical results to determine if soils from the test pits are impacted have not returned.</p> <p>It was observed that BMPs to protect the stockpiled soils, and to minimize erosion and sediment transport from the potentially impacted soil stockpiles are missing or insufficient; liners not observed beneath the potentially impacted soils; berms observed at base of stockpiles has not been installed per good engineering requirements; BMPs missing from remaining stockpiles.</p> <p>It was also observed that Operator has excavated, and placed two of the potentially impacted soil stockpiles within the perimeter stormwater diversion ditch along the east end of the working pad. In addition to missing BMPs to prevent sediment transport from the soil stockpiles, BMPs to prevent stormwater runoff from entering, or discharging from the sample pits within the ditch are also missing or insufficient, potentially increasing the risk of stormwater contamination, and contaminated discharge from the Location.</p> <p>This does not comport with COGCC protection of stockpiled soils, stormwater, and pollution prevention requirements.</p>	<p>trujilloam</p>	<p>11/02/2022</p>
<p>COMMENT #4</p> <p>Previous inspections observed that drilling operations have been completed for well API 05-051-06158:</p> <ul style="list-style-type: none"> - Rig was released from site on 9/7/20210 (#402842689), frac treatment dates 9/8/2021 - 9/22/2021, with a completion date of 10/6/2021 (#402843634) - Operator has constructed a multi-well location, but has only drilled/completed one well; frac equipment and drilling equipment no longer on site; continuous drilling or subsequent operations not evident. Pursuant to 1003 rules, interim reclamation required by 4/6/2022. <p>Inspection required Operator to Conduct 1003 interim reclamation, or comply with the January 5, 2017 "Notice to Operators: Interim Reclamation Procedures for Delayed Operations" by 4/6/2022.</p> <p>On July 5th, 2022, Operator submitted an application to hearings requesting a variance to Rule 1003.b. Refer to COGCC Docket #220700178. Though it is noted that the application was submitted after both the dates interim reclamation was required, and the corrective action date to comply with the NTO, the corrective action has been addressed.</p> <p>The overall status of the interim reclamation for the Trail Gulch Unit 1090/30 Location will be considered "in process" until a Commission Order regarding the variance request has been provided.</p>	<p>trujilloam</p>	<p>11/02/2022</p>

Attached Documents

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

Document Num	Description	URL
696204281	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5904121