

**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:

07/10/2023

Submitted Date:

07/11/2023

Document Number:

696205086

**FIELD INSPECTION FORM**
 Loc ID 427218 Inspector Name: Trujillo, Aaron 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:**

11 Number of Comments

5 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
Fischer, Alex		alex.fischer@state.co.us	
Arthur, Denise		denise.arthur@state.co.us	
Kosola, Jason		jason.kosola@state.co.us	
,		geops@oxbow.com	Inspection mail box

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
427218	LOCATION	AC			-	DGU Federal 1289 Section 18 Pad	RI
427223	WELL	PR	10/01/2021	GW	051-06103	DGU Hotchkiss Federal 1289 18-H1	RI
427241	WELL	PR	10/01/2021	GW	051-06104	DGU Hotchkiss Federal 1289 18-H2	RI
436613	WELL	WO	08/21/2014	LO	051-06124	DGU Federal 1289 18-CS2	RI
436614	WELL	WO	08/13/2014	LO	051-06125	DGU Federal 1289 18-CS1	RI

**General Comment:**

On 7/10/2023, Reclamation Specialist Trujillo inspected Gunnison Energy LLC's DGU Federal 1289/Section 18 Pad location in Gunnison County, Colorado.

This inspection is a followup to #696203557 to document compliance with the following corrective actions:

- §34-60-121(1)(a), C.R.S.: Form 4 condition requirements- Signage; Form 4 has expired- CA not longer applicable.
- Stormwater

It was observed that the Location remains out of compliance with ECMC Rules and Corrective Actions.

The following New compliance issues were observed per this inspection:

- Containment BMP lacks integrity
- Interim Reclamation
- Good Housekeeping

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.

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: ☐**Signs/Marker:**

Type	OTHER		
Comment:	See "Comment #1" at the end of this report.		
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:	It was observed in this inspection that required information, such as the Operator's Name, and emergency contact number, are missing from the two produced water tanks at the battery facility.		
Corrective Action:	Comply with Rule 605.h. The "Date of Discovery" is being provided as the corrective action date. Location will remain out of compliance until corrective action is resolved.	Date:	07/10/2023

**Emergency Contact Number:**

Comment:		
Corrective Action:		Date: _____

**Good Housekeeping:**

Type	TRASH		
Comment:	Various trash, debris observed improperly stored within the containment BMP of the tank battery facility.		
Corrective Action:	Comply with 606 Rules. The "Date of Discovery" is being provided as the corrective action date. Location will remain out of compliance until corrective action is resolved.	Date:	07/10/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Tanks and Berms:**

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	2	400 BBLs	STEEL AST		
Comment:	See "Signs/Marker" above for tank label requirements.				
Corrective Action:		Date:			

**Paint**

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

**Berms**

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal		Walls Insufficient	Base Insufficient	Inadequate

Comment:	Holes/tears observed within the liner of the secondary containment BMP; BMP no longer sufficiently impervious to contain a spill or release.  Operator Submitted Form 19 #403358735 indicating a produced water spill at the tank battery facility breached containment. Spill is being managed under Remediation Project #28376. Operator has failed to take appropriate action to ensure any further spills/releases would remain in containment. This issue is being forwarded to ECMC Environmental group.	
Corrective Action:	Install/maintain secondary containment BMP; ensure BMP is sufficiently impervious to contain a spill or release. The "Date of Discovery" is being provided as the corrective action date. Location will remain out of compliance until corrective action is resolved.	Date: 07/10/2023

**Venting:**

Yes/No			
Comment:			
Corrective Action:		Date:	

**Flaring:**

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities				
Facility ID:	<u>427218</u>	Type:	<u>LOCATION</u>	API Number: <u>-</u> Status: <u>AC</u> Insp. Status: <u>RI</u>
Facility ID:	<u>427223</u>	Type:	<u>WELL</u>	API Number: <u>051-06103</u> Status: <u>PR</u> Insp. Status: <u>RI</u>
Facility ID:	<u>427241</u>	Type:	<u>WELL</u>	API Number: <u>051-06104</u> Status: <u>PR</u> Insp. Status: <u>RI</u>
Facility ID:	<u>436613</u>	Type:	<u>WELL</u>	API Number: <u>051-06124</u> Status: <u>WO</u> Insp. Status: <u>RI</u>
Facility ID:	<u>436614</u>	Type:	<u>WELL</u>	API Number: <u>051-06125</u> Status: <u>WO</u> Insp. Status: <u>RI</u>

**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? \_\_\_\_\_

Comment \_\_\_\_\_

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

Date \_\_\_\_\_

- 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? 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

Operator received a 502.b Delayed Interim Reclamation variance via Sundry #696203557; pursuant Form 4 and Variance Conditions of Approval, interim reclamation work on the Location is required by 12/9/2022.

It was observed in this inspection that work including, but not limited to, compaction alleviation, recontouring/regrading and reclamation to reduce the Location to areas only needed for production has not been performed in accordance with Rule 1003.b, and Form 4 COAs.

## Corrective Action

Comply with Rule 1003.b. A CA date of 12/9/2022 is being provided as this was the latest date reclamation was required to commence, per Form 4 conditions.

Date 12/05/2022

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 "Comment #2" at the end of this Report.](#)

Corrective Action: **Comply with Rule 1002.f and install required stormwater and erosion control BMPs at the Location in order to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Ensure BMPs are installed in accordance with good engineering practices, and maintained in proper functioning condition.**

Date: 11/11/2022

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

Comment	User	Date
<p><b>COMMENT #2</b></p> <p>Inspection #696204293 observed that BMPs to manage runoff in a manner that minimizes erosion, degradation and sediment transport is missing or insufficient on the Location: Stormwater runoff has resulted in erosion degradation at the slopes near the entrance on the north end of the Location; Stormwater runoff from a culvert at the access road on the north end of the Location has resulted in gully erosion; culvert has not been constructed with a properly engineered outlet.</p> <p>It was observed in this inspection that work to address the erosion issues has been performed at the slopes near the Location entrance; erosion appears to have been repaired and additional rock armoring has been installed at slopes.</p> <p>BMPs remain missing or insufficient per good engineering practices at the culvert/outlet; erosion degradation remains apparent; Operator appears to have only dumped river-rock mixed with sediment into the gully formation.</p>	trujilloam	07/11/2023
<p><b>COMMENT #1</b></p> <p>Pursuant to conditions within the 502.b Delayed Interim Reclamation NTO document #696203557, Operator was required to post a sign at the location entrance stating the following: "A COGCC variance has been approved to delay the commencement of interim reclamation to no later than December 9, 2022".</p> <p>Previous inspections observed that signage per Form 4 Conditions was not installed. Inspections required Operator to comply with Form 4 COAs and install sign.</p> <p>It was observed in this inspection that sign has not been posted at the Location entrance.</p> <p>Form 4 #01463219 expired 12/9/2022 and therefore sign is no longer required and corrective action is no longer applicable, though it is noted that Operator failed to comply with §34-60-121(1)(a), C.R.S.: Form 4 condition requirements.</p>	trujilloam	07/11/2023

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



Document Num	Description	URL
696205087	Inspection Photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6177428">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6177428</a>