

**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 FORMLoc 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.

LocationOverall Good: ☐

Signs/Marker:			
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
Type	OTHER		
Comment:	See "Comment #1" at the end of this report.		
Corrective Action:		Date:	

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	

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 SEGREGATION _____

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 REVEGETATIONCropland

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>COMMENT #1</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
<p>COMMENT #2</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

Attached DocumentsYou can go to COGCC Images ([https://cogcc.state.co.us/weblink/](https://cogcc.state.co.us/webblink/)) and search by document number:

Document Num	Description	URL
403461138	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6177442
696205087	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6177428

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