

**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:

05/20/2024

Submitted Date:

05/21/2024

Document Number:

696205822

FIELD INSPECTION FORMLoc ID 324485 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

ECMC 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:

6 Number of Comments

2 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
Schwarz, Stephen		stephen.schwarz@state.co.us	
,		dnr_cogccenforcement@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
283917	WELL	SI	09/01/2022	GW	051-06075	HOTCHKISS FEDERAL 12-89 18-43	RI
324485	LOCATION	AC			-	DGU Federal 1289 18-43 Pad	RI
436617	WELL	PR	02/01/2022	CBM	051-06126	DGU Federal 1289 18-43 CS2	RI

General Comment:

On 5/20/2024, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Gunnison Energy LLC's DGU Federal 1289 18-43 Pad location in Gunnison County, Colorado.

This inspection is a followup to #696203551, #696204284 and #696205082 to document compliance with the following corrective actions:

- Interim Reclamation
- Stormwater

This inspection is also a follow-up to NOAV #403347260.

It was observed that this Location remains out of compliance with ECMC Rules, as well as NOAV and Inspection corrective actions

Refer to the "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 inspection that have not been addressed are still applicable. Refer to inspection #708302171 for corrective actions per the Compliance Unit.

Inspected Facilities									
Facility ID:	283917	Type:	WELL	API Number:	051-06075	Status:	SI	Insp. Status:	RI
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12									
Facility ID:	324485	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	RI
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12									
Facility ID:	436617	Type:	WELL	API Number:	051-06126	Status:	PR	Insp. Status:	RI
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12									

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? 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? _____ 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 "COGCC Comments" at the end of this report

Corrective Action _____ Date _____

Overall Interim Reclamation

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: Previous inspections observed that stormwater and erosion control measures to minimize erosion and degradation are missing or insufficient on the Location; BMPs missing or insufficient at the soil stockpile slopes on the northwest end of the Location. Inspection required Operator to comply with 1002.f.

Inspection #696205082 observed that hydromulch appeared to have been applied to soils on the Location, though BMP was showing signs of disrepair and maintenance was advised.

It was observed in this inspection that Operator has failed to maintain BMPs at the soil stockpiles; soils bare, loose and at risk to wind and water erosion.

Refer to inspection #708302171 for additional stormwater corrective action requirements.

Corrective Action: **Comply with Rule 1002.f and 1002.c**

Date: 05/28/2024

Pits: ☐ NO SURFACE INDICATION OF PIT

Permit:	Facility ID	Permit Num	Expiration Date
	284075	1433361	
	284075	1433361	

ECMC Comments

Comment	User	Date
<p>RECLAMATION COMMENT</p> <p>Previous inspections observed areas of the Location not needed for production, and required Operator to comply with 1003 rules and to conduct interim reclamation by 5/31/2022.</p> <p>Operator filed Docket No. 230500138 on 5/1/2023 requesting a 502.b variance to waive requirements of Rule 1003.b regarding interim reclamation of areas not reasonably necessary for production operations.</p> <p>It was observed in this inspection that the Location remains unchanged; interim reclamation of areas not needed for production have not been completed in accordance with 1003 rules and corrective actions. However, the status of interim reclamation and 1003 requirements of the Location is pending Commission decision.</p> <p>It is being noted that that Operator has submitted "Form 6- Notices of Intent to Abandon" for the two remaining wells on the Location (Form 6 Nos. 403712375 403712360, submitted 3/7/2024); the Location will be subject to 1004 Final Reclamation requirements upon plugging and abandonment of the wells. Including Hearings Liaison for notification purposes.</p>	trujilloam	05/21/2024

Attached Documents

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

Document Num	Description	URL
696205823	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6556602