

On 7/10/2023, Reclamation Specialist Trujillo inspected 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;
#696203543 dated 4/4/2022;
and #696204280 to document compliance with the following corrective actions:

- Wildlife protection BMPs
- Protection of soils
- Storwmater

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

This inspection is also in response to Resolution No. 403244608 stating Corrective Actions have been completed.

It was observed that this Location remains out of compliance with CECMC Rules.

The following new compliance issues were observed during this inspection:

- Signage
- Storage of supplies/materials/unused equipment
- Secondary containment
- Anchors missing required marking

Refer to the "Location Construction", "Location", "Environmental", Reclamation" and "Storwmater" 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 CECMC rules.

Location						
Overall Good: <input type="checkbox"/>						
Signs/Marker:						
Type	TANK LABELS/PLACARDS					
Comment:	Four (4) tanks at the battery facility observed missing required information such as Operator Name, and emergency contact number in accordance with Rule 605.h. Tank #3 also labeled as "Produced Water" and "Crude Oil".					
Corrective Action:	Comply with Rule 605.h. The "Date of Discovery" is being provided as the corrective action date. Location will remains out of compliance until corrective actions have been resolved.				Date:	07/10/2023
Type	CONTAINERS					
Comment:	"Produced sand" tank					
Corrective Action:					Date:	
Emergency Contact Number:						
Comment:	<input style="width: 100%;" type="text"/>					
Corrective Action:	<input style="width: 100%;" type="text"/>				Date:	<input style="width: 100%;" type="text"/>
Good Housekeeping:						
Type	STORAGE OF SUPL					
Comment:	Various trash, unused hose, barrels, materials etc... observed improperly stored within the secondary containment 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 remains out of compliance until corrective actions have been resolved.				Date:	07/11/2023
Overall Good: <input type="checkbox"/>						
Spills:						
Type	Area	Volume				
In Containment: No <input type="checkbox"/>						
Comment:	<input style="width: 100%;" type="text"/>					
<input type="checkbox"/> Multiple Spills and Releases?						
Equipment:						
Type: Other	# 1			corrective date		
Comment:	Hatch at the "produced sand" tank adjacent to the well not latched/closed.					
Corrective Action:	Properly secure/close hatch at tank. The "Date of Discovery" is being provided as the corrective action date. Location will remains out of compliance until corrective actions have been resolved.				Date:	07/10/2023
Type:	#					
Comment:	Previous inspection observed that BMPs to prevent wildlife access were observed to be missing from secondary containment BMPs on the Location. Inspection required Operator to install or repair wildlife protection equipment. It was observed in this inspection that netting has been installed at the containment BMP. This CA has been resolved.					
Corrective Action:					Date:	
Tanks and Berms:						
Contents	#	Capacity	Type	Tank ID	SE GPS	
PRODUCED WATER	4	400 BBLs	STEEL AST		,	

Comment:	Tank #3 labeled as both produced water and crude oil.	Date:	
Corrective Action:		Date:	

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
			Base Insufficient		
Comment:	Wildlife appears to have burrowed beneath the secondary containment BMP, exposing liner. Unclear if BMP is sufficiently impervious to contain a spill or release.				
Corrective Action:	Install or maintain BMP to ensure secondary containment remains impervious to contain a spill or release. The "Date of Discovery" is being provided as the corrective action date. Location will remains out of compliance until corrective actions have been resolved.			Date:	07/10/2023

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
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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:

Corrective Action: Comply with Rule 1002.f and install or repair BMPs to minimize erosion/degradation/sediment transport, and to protect/stabilize the cut slopes of the Location. The "Date of Discovery" is being provided as the corrective action date. Location will remain out of compliance until corrective action has been resolved. Date: 07/10/2023

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: 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:

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? Fail

Comment Marker for northernmost anchor on the Location not observed.

Corrective Action Comply with Rule 1003.a. 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

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

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: See Comment #3 under "COGCC Comments" at the end of this report						
Corrective Action: Comply with 1002.f; implement BMPs at the excavated areas of the ditch along east end of the Location, in order to prevent potential impacts to stormwater runoff.						Date: 11/01/2022
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						

COGCC Comments

Comment	User	Date
<p>COMMENT #3</p> <p>Previous inspection observed that , as part of remediation efforts associated with Project #23148, Operator conducted excavation operations to collect soil samples from 4 areas on the east end of the Location. Previous inspection 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. Inspection 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. Inspection required Operator to 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>It was observed in this inspection that the potentially impacted soils stockpiled on the Location, and within the stormwater diversion ditch along the east end of the work pad appear to have been removed from the Location; and with exception to the pit on the east end of the Location, all other excavations appear to have been backfilled.</p> <p>It was also observed that BMPs to prevent stormwater runoff from entering into, or discharging from, the potentially impacted pit excavated on the east end of the Location remain missing or insufficient. This corrective action has not been addressed and remains applicable.</p>	trujilloam	07/12/2023

<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. <p>Pursuant to 1003 rules, interim reclamation required by 4/6/2022. Inspections 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>07/12/2023</p>
<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>It was observed in this inspection that work to address the compliance issues at the topsoil stockpile has been performed:</p> <ul style="list-style-type: none"> -BMPs (erosion logs) to minimize sediment transport has been installed along perimeter of stockpile; BMP appears to have been installed in accordance with good engineering practices, and is in proper functioning condition at time of inspection. -Straw mulch has been applied to the stockpile, though mulch does not appear to have been applied with a binder or crimped in. BMP is showing signs of disrepair; Straw has sloughed off, or has been blown off areas of the stockpile, resulting in soils being exposed along slopes. <p>This corrective action is being considered "resolved", however maintenance advised to ensure soils remain protected to wind and water erosion prior to failure of the control. A follow-up inspection will be conducted to determine compliance with Rules 1002.f and 1002.c.</p>	<p>trujilloam</p>	<p>07/12/2023</p>
<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; 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. Inspections required Operator to comply with 1002.f.</p> <p>It was observed in this inspection that Operator had implemented hydromulch/seeding in conjunction with the "pot-holing". BMP appears to be in proper functioning condition along the majority of the cut slopes, except within the sections of slopes on the north end of the Location; BMP has not been maintained in proper functioning condition; erosion/degradation has persisted in these areas.</p>	<p>trujilloam</p>	<p>07/12/2023</p>

Attached Documents

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

Document Num	Description	URL
403461772	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6178185
696205093	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6178182