

**FORM
INSP**Rev
05/11**State of Colorado
Oil and Gas Conservation Commission**1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

DE	ET	OE	ES
----	----	----	----

Inspection Date:

12/19/2014

Document Number:

674700764

Overall Inspection:

ACTION REQUIRED**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	335206	335206	LONGWORTH, MIKE	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10456Name of Operator: CAERUS PICEANCE LLCAddress: 600 17TH STREET #1600NCity: DENVER State: CO Zip: 80202

- ☐ THIS IS A FOLLOW UP INSPECTION
- ☐ FOLLOW UP INSPECTION REQUIRED
- ☒ NO FOLLOW UP INSPECTION REQUIRED
- ☐ INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
McKee, Michael		MMckee@caerusoilandgas.com	EHS Engineer
Naeve, Natalie		NNaeve@caerusoilandgas.com	Piceance Operations Engineer
Janicek, Jake		JJanicek@caerusoilandgas.com	

Compliance Summary:QtrQtr: NWSW Sec: 16 Twp: 6S Range: 96W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
05/15/2014	663903201			SATISFACTORY			No
01/22/2014	663902680			SATISFACTORY	I		No
05/24/2013	663801055			SATISFACTORY	I		No

Inspector Comment:**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
258628	WELL	PR	12/06/2000	GW	045-07645	UNOCAL 24-16D	PR	<input checked="" type="checkbox"/>
258629	WELL	PA	03/05/2008	GW	045-07646	UNOCAL 23-16D	PA	<input checked="" type="checkbox"/>
258630	WELL	PR	08/31/2001	GW	045-07647	UNOCAL 14-16D	PR	<input checked="" type="checkbox"/>
258631	WELL	PR	05/01/2012	GW	045-07648	UNOCAL 13-16D	PR	<input checked="" type="checkbox"/>
288392	WELL	PR	09/28/2007	GW	045-13242	UNCOAL-ENCANA 14D-16D	PR	<input checked="" type="checkbox"/>
288393	WELL	PR	09/28/2007	GW	045-13241	UNOCAL-ENCANA 14B-16D	PR	<input checked="" type="checkbox"/>
288394	WELL	PA	02/12/2007	GW	045-13240	UNOCAL-ENCANA 14A-16D	PA	<input checked="" type="checkbox"/>

Inspector Name: LONGWORTH, MIKE

288401	WELL	PR	09/28/2007	GW	045-13233	UNCOAL-ENCANA 24B-16D	PR	<input checked="" type="checkbox"/>
288402	WELL	PR	07/31/2007	GW	045-13232	UNOCAL-ENCANA 24D-16D	PR	<input checked="" type="checkbox"/>

Equipment:Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: _____	Production Pits: _____
Condensate Tanks: _____	Water Tanks: _____	Separators: _____	Electric Motors: _____
Gas or Diesel Motors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location**Signs/Marker:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	SATISFACTORY			
WELLHEAD	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
------	------	--------	-------------------	---------

☐ Multiple Spills and Releases?**Fencing/:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY			
SEPARATOR	SATISFACTORY			
TANK BATTERY	SATISFACTORY			

Equipment:

Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Horizontal Heated Separator	9	SATISFACTORY			
Bird Protectors	5	SATISFACTORY			
Plunger Lift	8	SATISFACTORY			

Facilities:☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
CONDENSATE	1	300 BBLS	STEEL AST	,

S/A/V: SATISFACTORY

Comment: _____

Inspector Name: LONGWORTH, MIKE

Corrective Action:	Corrective Date:			
<u>Paint</u>				
Condition	Adequate			
Other (Content) _____				
Other (Capacity) _____				
Other (Type) _____				
<u>Berms</u>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

Facilities:☐ New Tank

Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	200 BBLS	PBV STEEL	,
S/A/V:	SATISFACTORY		Comment: Rusted tank hatch	
Corrective Action:				Corrective Date:
<u>Paint</u>				
Condition	Inadequate			
Other (Content) _____				
Other (Capacity) _____				
Other (Type) _____				
<u>Berms</u>				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				

Venting:

Yes/No	Comment
YES	Bradens open to vent

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 335206

Site Preparation:

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____

Date: _____ CDP Num.: _____

Form 2A COAs:**S/A/V:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Wildlife BMPs:****S/A/V:** _____ **Comment:** _____**CA:** _____ **Date:** _____**Stormwater:****Comment:** _____**Staking:****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:**Facility**

Facility ID: 258628 Type: WELL API Number: 045-07645 Status: PR Insp. Status: PR

Producing Well

Comment: Producing well

Facility ID: 258629 Type: WELL API Number: 045-07646 Status: PA Insp. Status: PA

Facility ID: 258630 Type: WELL API Number: 045-07647 Status: PR Insp. Status: PR

Producing Well

Comment: Producing well

Facility ID: 258631 Type: WELL API Number: 045-07648 Status: PR Insp. Status: PR

Producing WellComment: **Producing well**

Facility ID: 288392 Type: WELL API Number: 045-13242 Status: PR Insp. Status: PR

Producing WellComment: **Producing well**

Facility ID: 288393 Type: WELL API Number: 045-13241 Status: PR Insp. Status: PR

Producing WellComment: **Producing well**

Facility ID: 288394 Type: WELL API Number: 045-13240 Status: PA Insp. Status: PA

Facility ID: 288401 Type: WELL API Number: 045-13233 Status: PR Insp. Status: PR

Producing WellComment: **Producing well**

Facility ID: 288402 Type: WELL API Number: 045-13232 Status: PR Insp. Status: PR

Producing WellComment: **Producing well****Environmental****Spills/Releases:**

Type of Spill: Description: Estimated Spill Volume:

Comment:

Corrective Action: Date:

Reportable: GPS: Lat Long

Proximity to Surface Water: Depth to Ground Water:

Water Well:

DWR Receipt Num: Owner Name: GPS : Lat Long

Field Parameters:

Sample Location:

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:

Comment:

1003a. Debris removed? Pass CM _____
 CA _____ CA Date _____
 Waste Material Onsite? Pass CM _____
 CA _____ CA Date _____
 Unused or unneeded equipment onsite? Pass CM _____
 CA _____ CA Date _____
 Pit, cellars, rat holes and other bores closed? Pass CM _____
 CA _____ CA Date _____
 Guy line anchors removed? _____ CM _____
 CA _____ CA Date _____
 Guy line anchors marked? Pass CM _____
 CA _____ CA Date _____

1003b. Area no longer in use? Pass Production areas stabilized ? Pass

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? _____

Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

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 _____

Comment: _____

Inspector Name: LONGWORTH, MIKE

Corrective Action: 					Date 	
Overall Final Reclamation 		Well Release on Active Location <input type="checkbox"/>		Multi-Well Location <input type="checkbox"/>		

Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
		Compaction	Pass			
Seeding						
Ditches	Fail					Need cleaned out and repaired from traffic damage.
		Culverts	Pass			
Compaction	Pass					
Berms	Pass					
		Gravel	Pass			
Gravel						
		Ditches	Fail			Eroding and stacking of sediment

S/A/V: ACTION REQUIRED

Corrective Date: 01/31/2015

Comment:

CA: Maintain ditches and continue seeding of cut slopes.

Pits: ☒ NO SURFACE INDICATION OF PIT

Attached Documents

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

Document Num	Description	URL
674700764	INSPECTION APPROVED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3513844
674700771	Tank rust and storm water bmps	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3513825
674700772	Unstable cut slope wall	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3513827

ACTION REQUIRED

ANY ACTION REQUIRED items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)