

**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
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Inspection Date:
10/09/2015Document Number:
674701910Overall Inspection:
SATISFACTORY**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	335017	335017	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
Elsener, Garrett		garrett@caerusoilandgas.com	
Janicek, Jake		JJanicek@caerusoilandgas.com	
Colby, Lou		lou.colby@state.co.us	
McKee, Michael		MMckee@caerusoilandgas.com	EHS Engineer
Arthur, Denise		denise.arthur@state.co.us	
Kubeczko, Dave		dave.kubeczko@state.co.us	

Compliance Summary:QtrQtr: SESE Sec: 2 Twp: 7S Range: 97W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
07/26/2013	663801341			SATISFACTORY			No

Inspector Comment:Access road built and earth work being done to build location.**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
299919	WELL	XX	10/17/2014	LO	045-17786	Puckett 11B-12	ND	<input checked="" type="checkbox"/>
299920	WELL	XX	10/18/2014	LO	045-17787	Puckett 43C-2	ND	<input checked="" type="checkbox"/>
299921	WELL	XX	10/18/2014	LO	045-17788	Puckett 43D-2	ND	<input checked="" type="checkbox"/>
299922	WELL	XX	10/18/2014	LO	045-17789	Puckett 44A-2	ND	<input checked="" type="checkbox"/>
299923	WELL	XX	10/18/2014	LO	045-17790	Puckett 44B-2	ND	<input checked="" type="checkbox"/>
299924	WELL	XX	10/18/2014	LO	045-17791	Puckett 44C-2	ND	<input checked="" type="checkbox"/>

Inspector Name: LONGWORTH, MIKE

299925	WELL	XX	10/18/2014	LO	045-17792	Puckett 44D-2	ND	X
299926	WELL	XX	10/17/2014	LO	045-17793	Puckett 14B-1	ND	X
299928	WELL	XX	10/17/2014	LO	045-17794	Puckett 14C-1	ND	X
299929	WELL	XX	10/17/2014	LO	045-17795	Puckett 14D-1	ND	X
299930	WELL	XX	10/17/2014	LO	045-17796	Puckett 11A-12	ND	X
439862	WELL	XX	11/14/2014		045-22613	Puckett 24C-1	ND	X
439863	WELL	XX	11/14/2014		045-22614	Puckett 24D-1	ND	X
439864	WELL	XX	11/14/2014		045-22615	Puckett 13D-1	ND	X
439865	WELL	XX	11/14/2014		045-22616	Puckett 14A-1	ND	X
439866	WELL	XX	11/14/2014		045-22617	Puckett 24A-1	ND	X

Equipment:Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>16</u>	Production Pits: _____
Condensate Tanks: <u>2</u>	Water Tanks: <u>10</u>	Separators: <u>16</u>	Electric Motors: _____
Gas or Diesel Motors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>2</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: <u>1</u>	Flare: _____	Fuel Tanks: _____

Location

Emergency Contact Number (S/A/V): _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?
Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

PredrillLocation ID: 335017**Site Preparation:**

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkd	<p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days and after precipitation events), and maintained in good condition.</p> <p>The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</p> <p>The location is in an area of moderate to high run-on/run-off potential; therefore standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater run-off.</p> <p>The nearby hillside must be monitored for any day-lighting of drilling fluids throughout the drilling of the surface casing interval.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner) to contain any spilled or released material around permanent crude oil, condensate, and produced water storage tanks.</p>	10/22/2014
OGLA	kubeczkd	<p>The moisture content of drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts. After drilling and completion operations have been completed, the drill cuttings that will remain on the well pad location (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), must meet the applicable standards of Table 910-1. After the drill cuttings have been amended (if necessary) and placed on the well pad, sampling frequency of the drill cuttings (to be determined by the operator) shall be representative of the material left on location. No offsite disposal of cuttings to another oil and gas location shall occur without prior approval of a Waste Management Plan (submitted via a Form 4 Sundry Notice) specifying disposal location and waste characterization method. No offsite reuse of cuttings to another oil and gas location shall occur without prior approval of a Beneficial Reuse or Land Application Plan (submitted via a Form 4 Sundry Notice) specifying reuse or application, location, and waste characterization method. Commercial disposal of drill cuttings will only require notification to COGCC via a Form 4 Sundry Notice.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) located on the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p> <p>Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.</p>	10/22/2014

OGLA	kubeczkd	<p>Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.</p> <p>Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface pipeline routes for leaks during active transfer of fluids. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance during pipeline monitoring. The operator shall maintain records of inspections, findings and repairs, if necessary, for the life of the pits.</p> <p>Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all sensitive area crossings, including, but not limited to stream, intermittent stream, ditch, and drainage crossings.</p> <p>Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.</p>	10/22/2014
OGLA	kubeczkd	<p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, pipeline testing, start of hydraulic stimulation operations, and start of flowback operations (if different that stimulation) using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p> <p>ROAN RIM NTO: Notice to Operators (NTO) Drilling Wells on the Roan Plateau in Garfield County: Operator shall comply with all provisions of the June 12, 2008 Notice to Operators (NTO) Drilling Wells Within $\frac{3}{4}$ Mile of the Rim of the Roan Plateau in Garfield County – Pit Design, Construction, and Monitoring Requirements. At a minimum, all pits (if constructed) must be lined.</p> <p>The operator shall submit, and receive approval of, a reuse and recycling plan per Rule 907.a.(3), prior to any offsite reuse/recycling of cuttings.</p>	10/22/2014

S/AV: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Final Reclamation	<ul style="list-style-type: none"> • BMPs installed during previous phases will be maintained and repaired as necessary. • Surface will be stabilized with gravel when feasible • BMPs will be inspected. • Seeding and mulching or the installation of erosion control blankets will take place where applicable. • All non-biodegradable temporary BMPs will be removed when applicable. • Dust mitigation practices will be utilized.
Pre-Construction	<ul style="list-style-type: none"> • A stabilized staging area will be prepared. • Vehicle tracking pads, geotextiles, or mud mats will be installed where applicable to provide designated access into the ROW. • Perimeter control BMPs will be installed. • Access to areas that are not to be disturbed will be limited to protect the existing vegetation. • Dust mitigation practices will be utilized.

Drilling/Completion Operations	<ul style="list-style-type: none"> • Topsoil will be stockpiled as appropriate to maintain microbial viability. • Run-off from the facility will be controlled per Stormwater Management Plan. • Pooled water will be treated for mosquitoes to minimize the spread of the West Nile virus. • Caerus will ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all sensitive area crossings, including, but not limited to stream, intermittent stream, ditch, and drainage crossings.
Construction	<ul style="list-style-type: none"> • Stockpiles for topsoil, excess cut material, and drill cuttings will be located in work areas within perimeter BMPs. • Stormwater BMPs will be installed per details in the Stormwater BMP manual. • Disturbed area of site will be left in a surface roughened condition when feasible. • BMPs will be protected, inspected and repaired as necessary. • Dust mitigation practices will be utilized. • The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water. • Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with synthetic liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.
Wildlife	<ul style="list-style-type: none"> • All garbage and any food items will be placed in bear proof trash containers. • Personnel will not feed wildlife at any time. • Bears will not be approached if encountered in the project area. • Seed mix used for interim and final reclamation is prescribed by the landowner. • Other considerations as described in the Wildlife Mitigation Plan with Colorado Division of Parks and Wildlife.
Storm Water/Erosion Control	<ul style="list-style-type: none"> • Run-on protection and run-off controls will be installed prior to the beginning of construction activities, as practicable, with consideration given to worker safety and site access. Additional structural and non-structural Best Management Practices (BMPs) will likely need to be installed during and following construction. • No stormwater run-off will be discharged to the Colorado River.
Interim Reclamation	<ul style="list-style-type: none"> • Top soil, where present, will be segregated from deeper soils and replaced as top soil on the final grade, a process known as live topsoil handling. • In all cases, temporary disturbance will be kept to an absolute minimum. • Equipment and materials handling will be done on established sites to reduce area and extent of soil compaction. • Disturbances will be reseeded as soon as practical with the recommended mix in the re-vegetation section. • Topsoil stockpiles will be seeded with non-invasive sterile hybrid grasses, if stored longer than one growing season. • Prior to delivery to the site, equipment will be cleaned of soils remaining from previous construction sites which may be contaminated with noxious weeds. • If working in sites with weed-seed contaminated soil, equipment will be cleaned of potentially seed-bearing soils and vegetative debris prior to moving to uncontaminated terrain.
General Housekeeping	<ul style="list-style-type: none"> • Caerus will routinely inspect the surface pipeline to ensure integrity and conduct daily inspections of surface poly pipeline routes for leaks during active transfer of fluids. Inspections shall be conducted by viewing the length of the pipeline. • Caerus will comply with Rule 609 Statewide Groundwater Baseline Sampling and Monitoring • Caerus will comply with Rule 603.f Statewide equipment, weeds, waste, and trash requirements.

S/A/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Stormwater:

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Inspector Name: LONGWORTH, MIKE

Name: _____	Address: _____
Phone Number: _____	Cell Phone: _____
<u>Operator Rep. Contact Information:</u>	
Landman Name: _____	Phone Number: _____
Date Onsite Request Received: _____	Date of Rule 306 Consultation: _____
Request LGD Attendance: _____	
<u>LGD Contact Information:</u>	
Name: _____	Phone Number: _____
Agreed to Attend: _____	
<u>Summary of Landowner Issues:</u>	

<u>Summary of Operator Response to Landowner Issues:</u>	

<u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u>	

Facility				
Facility ID: 299919	Type: WELL	API Number: 045-17786	Status: XX	Insp. Status: ND
Facility ID: 299920	Type: WELL	API Number: 045-17787	Status: XX	Insp. Status: ND
Facility ID: 299921	Type: WELL	API Number: 045-17788	Status: XX	Insp. Status: ND
Facility ID: 299922	Type: WELL	API Number: 045-17789	Status: XX	Insp. Status: ND
Facility ID: 299923	Type: WELL	API Number: 045-17790	Status: XX	Insp. Status: ND
Facility ID: 299924	Type: WELL	API Number: 045-17791	Status: XX	Insp. Status: ND
Facility ID: 299925	Type: WELL	API Number: 045-17792	Status: XX	Insp. Status: ND
Facility ID: 299926	Type: WELL	API Number: 045-17793	Status: XX	Insp. Status: ND
Facility ID: 299928	Type: WELL	API Number: 045-17794	Status: XX	Insp. Status: ND
Facility ID: 299929	Type: WELL	API Number: 045-17795	Status: XX	Insp. Status: ND
Facility ID: 299930	Type: WELL	API Number: 045-17796	Status: XX	Insp. Status: ND
Facility ID: 439862	Type: WELL	API Number: 045-22613	Status: XX	Insp. Status: ND
Facility ID: 439863	Type: WELL	API Number: 045-22614	Status: XX	Insp. Status: ND
Facility ID: 439864	Type: WELL	API Number: 045-22615	Status: XX	Insp. Status: ND
Facility ID: 439865	Type: WELL	API Number: 045-22616	Status: XX	Insp. Status: ND

Facility ID: 439866 Type: WELL API Number: 045-22617 Status: XX Insp. Status: ND

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: RANGELAND

Comment: _____

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

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

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____

Cuttings management: _____

Inspector Name: LONGWORTH, MIKE

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: 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 _____

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

S/A/V: _____ Corrective Date: _____

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT