

**FORM
INSP**

Rev
X/15

**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:

01/18/2018

Submitted Date:

01/30/2018

Document Number:

689100111

FIELD INSPECTION FORM

Loc ID _____ Inspector Name: LUJAN, CARLOS On-Site Inspection
2A Doc Num: _____

Status Summary:

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED

Operator Information:

OGCC Operator Number: 10456
Name of Operator: CAERUS PICEANCE LLC
Address: 1001 17TH STREET #1600
City: DENVER State: CO Zip: 80202

Findings:

- 2 Number of Comments
- 0 Number of Corrective Actions
- Corrective Action Response Requested

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------------------|--------|-------------|------------|---------|---------------------|-------------|
| 453066 | SPILL OR RELEASE | CL | 11/20/2017 | | - | SPILL/RELEASE POINT | EI |

General Comment:

Environmental Inspection conducted on January 18, 2018 during monitoring well drilling operations. On site with Brett Middleton from Caerus. Sunny and about 35 oF. The day of the inspection, Caerus was drilling monitoring well MW-22, located approximately 2000 feet north northwest of the release point on Divide Road. Between the release point and the MW-22, two monitoring well have been installed: MW-20, approximately 900 feet north northwest of the release point, and MW-21 at 150-200 feet east of the release point. Free-product has been observed in MW-20, and a sheen has been observed in MW-21 (the closest to the release point). According to LTE, Caerus environmental consultant, most of the 170 feet drilled on MW-22 was sandstone. Mudstone was found at about 180 feet. According to LTE, no odor or staining had been detected.
Divide Road Spill/Release Point ID #453066
REM #10691

Inspected Facilities

Facility ID: 453066 Type: SPILL OR API Number: - Status: CL Insp. Status: EI

COGCC Comments

| Comment | User | Date |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|------------|
| Follow-up inspections will continue when additional monitoring wells are drilled to assess the extent of the impact and later on during installation of remediation system. | lujanc | 01/30/2018 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 689100112 | Photo Report Caerus Divide Rd Spill | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4364616 |