

FORM
INSPRev
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:

07/31/2019

Submitted Date:

07/31/2019

Document Number:

696600415

FIELD INSPECTION FORM

Loc ID _____ Inspector Name: _____ On-Site Inspection
334095 _____ Wentzel, Dougo _____ 2A Doc Num: _____

Operator Information:

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

Status Summary:

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

Findings:

- 17 Number of Comments
3 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 |
|-----------------|-------|-------------------------------------------|-----------------|
| , Caerus | | COGCC.inspections@caerus oilandgas.com | All inspection |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | All Inspections |
| Peicka, Conor | | conor.pesicka@state.co.us | All Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-----------------------|-------------|
| 259509 | WELL | PR | 10/16/2003 | GW | 045-07734 | S PARACHUTE TBI 36-23 | PR |
| 275947 | WELL | PR | 03/02/2006 | GW | 045-10411 | TBI 36-10 (PG36) | PR |
| 275948 | WELL | PR | 05/01/2012 | GW | 045-10410 | TBI 36-11BB (PG360) | PR |
| 275949 | WELL | SI | 04/01/2019 | GW | 045-10409 | TBI 36-9BB (PG36) | SI |
| 280950 | WELL | PR | 03/15/2006 | GW | 045-11383 | TBI 36-2 (PG36) | PR |

General Comment:

This is a follow up from inspection dated 4/1/2019 Doc# 675002112 Required Corrective Action (s) items noted in previous inspections have been satisfied.
During this inspection, compliance issues were observed:

Location

| | | | |
|--------------------|--------|--|-------|
| Lease Road: | | | |
| Type | Access | | |
| comment: | | | |
| Corrective ActionL | | | Date: |

Overall Good:

| | | | |
|----------------------|-----------------------------------------------------------------------------------------------------------|--|------------------|
| Signs/Marker: | | | |
| Type | BATTERY | | |
| Comment: | Battery sign located at entrance of location is missing information. 911/ and nearest access are missing. | | |
| Corrective Action: | Install sign to comply with Rule 210.b | | Date: 09/02/2019 |

| | | | |
|---------------------------|----------------------------|--|-------------|
| Emergency Contact Number: | | | |
| Comment: | 911 posted on tank battery | | |
| Corrective Action: | | | Date: _____ |

| | | | |
|---------------------------|-----------------------------------------------------------------------------------|--|------------------|
| Good Housekeeping: | | | |
| Type | WEEDS | | |
| Comment: | Weeds growing on location and inside tank containmet. See photos 5,6,7,8,9 and 10 | | |
| Corrective Action: | Comply with Rule 603.f . | | Date: 08/10/2019 |
| Type | TRASH | | |
| Comment: | Trash on location see photos 11 and 12 | | |
| Corrective Action: | Comply with Rule 603.f . | | Date: 08/10/2019 |

Overall Good:

| | | | |
|--------------------------------------------------------|------|--------|--|
| Spills: | | | |
| Type | Area | Volume | |
| In Containment: No | | | |
| Comment: | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | |

| | | | |
|--------------------|----------|--|-------|
| Fencing/: | | | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

| | | | |
|-----------------------------------|------------------------|--|-----------------|
| Equipment: | | | corrective date |
| Type: Plunger Lift | # 5 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | Combo Separator / Dehy | | |
| Corrective Action: | | | Date: |
| Type: Bird Protectors | # 3 | | |

| | | | |
|---------------------------------|-----|--|-------|
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Vertical Heated Separator | # 4 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Gas Meter Run | # 2 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Bradenhead | # 5 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| GLYCOL | 1 | <50 BBLs | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | | |
|------------------|----------|--|
| Condition | Adequate | |
| Other (Content) | | |
| Other (Capacity) | | |
| Other (Type) | | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|----------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| METHANOL | 1 | <50 BBLs | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | | |
|------------------|----------|--|
| Condition | Adequate | |
| Other (Content) | | |
| Other (Capacity) | | |
| Other (Type) | | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|----------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

| | | | | | | |
|--------------------|----------|-------------------------------------------------------|---------------------|-------------|--------|-------|
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| METHANOL | 1 | 1000 GAL | STEEL AST | | , | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |
| Paint | | | | | | |
| Condition | Adequate | | | | | |
| Other (Content) | | | | | | |
| Other (Capacity) | | | | | | |
| Other (Type) | | | | | | |
| Berms | | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | |
| Metal | Adequate | Walls Sufficent | Base Sufficent | Adequate | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| CONDENSATE | 1 | 300 BBLs | STEEL AST | | , | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |
| Paint | | | | | | |
| Condition | Adequate | | | | | |
| Other (Content) | | | | | | |
| Other (Capacity) | | | | | | |
| Other (Type) | | | | | | |
| Berms | | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | |
| Metal | Adequate | Walls Sufficent | Base Sufficent | Adequate | | |
| Comment: | | See housekeeping for weeds inside of tank containment | | | | |
| Corrective Action: | | | | | | Date: |
| Venting: | | | | | | |
| Yes/No | NO | | | | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |
| Flaring: | | | | | | |
| Type | | | | | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |

| Inspected Facilities | | | | |
|------------------------------------------------------------------------------------------------------------------------|-------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>259509</u> | Type: <u>WELL</u> | API Number: <u>045-07734</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Producing Well | | | | |
| Comment: Producing Well | | | | |
| Corrective Action: | | Date: | | |
| Facility ID: <u>275947</u> | Type: <u>WELL</u> | API Number: <u>045-10411</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Producing Well | | | | |
| Comment: Producing Well | | | | |
| Corrective Action: | | Date: | | |
| Facility ID: <u>275948</u> | Type: <u>WELL</u> | API Number: <u>045-10410</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Producing Well | | | | |
| Comment: Producing Well | | | | |
| Corrective Action: | | Date: | | |
| Facility ID: <u>275949</u> | Type: <u>WELL</u> | API Number: <u>045-10409</u> | Status: <u>SI</u> | Insp. Status: <u>SI</u> |
| Idle Well | | | | |
| Purpose: <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned Reminder: _____ | | | | |
| Comment: Last production shown is 3/19 | | | | |
| Corrective Action: | | Date: | | |
| Facility ID: <u>280950</u> | Type: <u>WELL</u> | API Number: <u>045-11383</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Producing Well | | | | |
| Comment: Producing Well | | | | |
| Corrective Action: | | Date: | | |

Reclamation - Storm Water - Pit

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Compaction | Pass | | | | | |
| | | Gravel | Pass | | | |
| | | Compaction | Pass | | | |
| Berms | Pass | | | | | |
| Gravel | Pass | | | | | |
| | | Check Dams | Pass | | | |
| Waddles | Pass | | | | | |
| | | Ditches | Pass | | | |
| Ditches | Pass | | | | | |
| | | Culverts | Pass | | | |

Comment:

Corrective Action:

Date: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|------------|
| <p>On (Wednesday) (7/31/19) at approximately (1135), I, Inspector Dougo Wentzel, conducted a (Routine FIU General Field Re-Inspection) at (Caerus) (TBI 36-11BB (PG360), (API #077-10410) in (Garfield) Colorado. While there, I observed (A Production Operation only.) Corrective actions from previous inspection have been made: During this inspection compliance issues were observed: Battery sign located at the entrance to location, is missing information. Weeds are growing on location and inside of tank containment. See photo 5,6,7,8,9 and 10.</p> <p>Trash found on location. See photos 11 and 12. (Refer to Corrective Action Matrix for comments, corrective actions, and corrective action date). Refer to photograph of observed. compliance issue. A follow up on this site inspection will be conducted to ensure the compliance issues have been corrected to comply with COGCC Rules. (if correction actions are identified) This is a summary of inspection report.</p> | wentzeld | 07/31/2019 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 402130203 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4897508 |
| 696600416 | Inspection 696600415 photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4897503 |