

**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:

05/07/2020

Submitted Date:

05/12/2020

Document Number:

696201256

FIELD INSPECTION FORMLoc ID 335809 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 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:**

5 Number of Comments

1 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
, "		COGCC.inspections@caerus oilandgas.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
258416	WELL	PA	09/16/2018	GW	045-07637	UNOCAL 13-9D	RI
258421	WELL	PA	03/25/2001	GW	045-07636	UNOCAL 24-9D	RI
258426	WELL	PA	09/13/2018	GW	045-07638	UNOCAL 23-9D	RI
258430	WELL	AL	06/07/2001	LO	045-07639	UNOCAL 14-9D	RI
335809	LOCATION	AC			-	UNOCAL-66S96W 9SWNW	RI
444665	NONFACILITY	AC	02/02/2016		-	Unocal 66S-96W "Unocal 3"	RI

General Comment:

On 5/7/2020, Reclamation Specialist Trujillo conducted a final reclamation and stormwater inspection on Caerus Piceance LLC's UNOCAL-66S96W9SWNW location in Garfield County, Colorado.

It was observed in this inspection that Location is out of compliance with 1004 rules

Refer to the "Reclamation" sections of this inspection report for additional details.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

Inspected Facilities									
Facility ID:	<u>258416</u>	Type:	<u>WELL</u>	API Number:	<u>045-07637</u>	Status:	<u>PA</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>258421</u>	Type:	<u>WELL</u>	API Number:	<u>045-07636</u>	Status:	<u>PA</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>258426</u>	Type:	<u>WELL</u>	API Number:	<u>045-07638</u>	Status:	<u>PA</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>258430</u>	Type:	<u>WELL</u>	API Number:	<u>045-07639</u>	Status:	<u>AL</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>335809</u>	Type:	<u>LOCATION</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>444665</u>	Type:	<u>NONFACILIT</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>RI</u>

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

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? _____

Comment _____

Corrective Action _____

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: _____

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 REVEGETATIONCropland

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

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: _____

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 **Fail**

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: [SEE "COGCC COMMENTS" FOR COMMENTS REGARDING RECLAMATION](#)

Corrective Action: _____ Date **06/12/2020**

Comply with COGCC 1004 rules and contour/reclaim the Location

Or

Submit a 502.b Surface Owner Variance Request to waive requirements to contour the Location per the "Rule 1001.c. Surface Owner Waiver for Final Reclamation" Operator Guidance document.

Overall Final Reclamation

Fail

Well Release on Active Location ☐Multi-Well Location ☐**COGCC Comments**

Comment	User	Date
<p>RECLAMATION COMMENT</p> <p>Previous inspections observed that the Location does not meet reclamation requirements and that location has not been contoured in accordance with COGCC 1004 rules. Operator submitted Form 4 #402224545 with attachments indicating potential risk of destabilizing a landslide area that exists on the east side of the Location, therefore location was not contoured to grade. Previous inspection stated Location will likely require a 502.b variance.</p> <p>It was observed in this inspection that Location/Pad remains flat. Vegetative establishment is evident, however large areas of the Location remains bare and germination does not appear to be occurring; additional seeding will likely be needed for location to meet 1004 vegetative requirements.</p> <p>It has been determined that this Location will require a 502.b variance to waive various requirements of 1004 Rules, such as contouring and grading of the Location.</p>	trujilloam	05/12/2020
<p>Note to Operator: The COGCC will likely approve of a SOVR to waive requirements to contour the pad, however COAs will also likely be applied requiring compliance with 1004.c. (2) vegetative requirements.</p>	trujilloam	05/12/2020

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

Document Num	Description	URL
696201258	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5148382