

**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:

696201269

FIELD INSPECTION FORM

Loc ID 335618 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:

6 Number of Comments

2 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
Arauz, Steven		steven.arauza@state.co.us	
Arthur, Denise		denise.arthur@state.co.us	
,		COGCC.inspections@caerus oilandgas.com	All Inspections
Fischer, Alex		alex.fischer@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
335618	LOCATION	AC			-	UNOCAL-ENCANA- 66S96W 4NESW	RI

General Comment:

On 5/7/2020, Reclamation Specialist Trujillo conducted an interim reclamation inspection and stormwater inspection at Caerus Piceance LLC's Unocal-Encana-66S96W /4NESW location in Garfield County, Colorado.

This inspection is also in response to a request by the COGCC Environmental group regarding Caerus' Waste Management Plan, and Beneficial Reuse Plan #402379629, outlining the transport of an estimated 2000 cubic yards of surface drilling cuttings from the NPR O04-696 Pad (ID #414231) to the Unocal Pad; The surface drill cuttings will be transported in 500 cubic yard batches, and stored on the southwestern portion of the Unocal pad, and utilized as fill material during interim reclamation of the pad.

It was observed that this Location is currently out of compliance with 1003.b interim reclamation requirements, and weed management.

The following compliance issues were observed during this inspection:

1003.b: Interim reclamation of areas no longer in use.

1003.f: Weed Management.

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

Refer to the photo-documentation of the observed compliance issues attached to this report.

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

A follow up on this site inspection will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: **Good Housekeeping:**

Type	WEEDS		
Comment:	In order to allow Operator the opportunity to separately address corrective action within a Resolution Form, the corrective action regarding 1003.f noxious weed management is being addressed within the "Good Housekeeping" section of this report. See "COGCC COMMENTS" for comments regarding observed weed issues.		
Corrective Action:	Comply with Rule 1003.f	Date:	05/27/2020

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Venting:**

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

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? Pass

Comment _____

Corrective Action _____

Date _____

[Anchors on Location have been marked in accordance with Rule 1003.a](#)

1003b. Area no longer in use? Fail 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 REVEGETATIONCropland

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

Non-CroplandTop soil replaced Fail Recontoured Fail 80% Revegetation Fail

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? FComment SEE "COGCC COMMENTS" FOR COMMENTS REGARDING INTERIM RECLAMATIONCorrective Action Comply with Rule 1003.b and conduct interim reclamation on areas no longer in useDate 05/26/2020**OR**

Submit a Form 4, 502.b variance request in accordance with the "Interim Reclamation Procedures for Delayed Operations"- Notice to Operators. In addition to the required documents per the NTO, Operator will also be required to submit figures of the Location showing the existing, post interim and final reclamation contours. COGCC approval of these figures will be required before transportation of surface cuttings.

Overall Interim Reclamation Fail**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 _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment: Corrective Action:

Date _____

Overall Final Reclamation

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

Comment	User	Date
RECLAMATION COMMENTS It was observed in this inspection that the Location is out of compliance with Rule 1003.b; The tanks on the west end of the Location have been removed leaving areas no longer needed for production subject to 1003 reclamation requirements. After internal review, it has been determined that due to the undefined drilling schedule and cutting disposition creating concerns with Rule 1003.b on the Unocal Location, Operator will be required to submit an Interim Reclamation Variance Request, and additional interim reclamation financial assurance, in accordance with the "Interim Reclamation Procedures for Delayed Operations" NTO, for the Unocal Location. Approval of the Beneficial Reuse Plan (Form 4 #402379629) and approval of surface cutting transport/storage will remain pending until variance request has been submitted, approved and additional bonding received.	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
696201271	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5148557