

**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:

06/04/2020

Submitted Date:

06/04/2020

Document Number:

699801224

FIELD INSPECTION FORMLoc ID 312364 Inspector Name: De Paolo, Corey 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:**

9 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 |
|-----------------|-------|---|---------|
| , Caerus | | COGCC.inspections@caerus oilandgas.com | |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-----------------------------|-------------|
| 221333 | WELL | PR | 09/30/1956 | GW | 077-05123 | DIVIDE CREEK UNIT 1 (1U) | PR |

General Comment:**COGCC Inspection Report Summary**

On Thursday 6/4/20 at approximately 13:00 hours, I, Inspector Corey De Paolo,
Conducted an on-site inspection at CAERUS PICEANCE LLC DIVIDE CREEK UNIT-68S91W /36SWNW,
Location #312364 in Mesa County Colorado.

While there, I observed normal production operations.

During this inspection the following possible compliance issues were observed: Methanol tank not properly labeled. See photo #1318 with a corrective action date of 9/4/20. Deadman not properly marked. See photo #1319 with a corrective action date of 6/18/20.

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

This is a summary of inspection report.

| Location | | | | |
|--|---|--------|--|------------------|
| Lease Road: | | | | |
| Type | Access | | | |
| comment: | | | | |
| Corrective Action | L | | | Date: |
| Overall Good: <input checked="" type="checkbox"/> | | | | |
| Signs/Marker: | | | | |
| Type | WELLHEAD | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Type | BATTERY | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Type | TANK LABELS/PLACARDS | | | |
| Comment: | Methanol tank not properly labeled. See photo #1318 | | | |
| Corrective Action: | All tanks with a capacity of ten (10) barrels or greater shall be labeled with name of operator, operator's emergency contact telephone number and tank capacity. Properly label tank | | | Date: 09/04/2020 |
| Emergency Contact Number: | | | | |
| Comment: | 911 | | | |
| Corrective Action: | | | | Date: _____ |
| Good Housekeeping: | | | | |
| Type | DEBRIS | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Overall Good: <input checked="" type="checkbox"/> | | | | |
| Spills: | | | | |
| Type | Area | Volume | | |
| In Containment: No _____ | | | | |
| Comment: _____ | | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |
| Fencing/: | | | | |
| Type | SEPARATOR | | | |
| Comment: | Livestock panels | | | |
| Corrective Action: | | | | Date: |
| Equipment: | | | | |
| | | | | corrective date |
| Type: Ancillary equipment | # 1 | | | |
| Comment: | Chemical tank by wellhead | | | |
| Corrective Action: | | | | Date: |
| Type: Deadman # & Marked | # 2 | | | |

| | | |
|--------------------------|---|------------------|
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Deadman # & Marked | # 1 | |
| Comment: | Deadman not properly marked. See photo #1319 | |
| Corrective Action: | All guy line anchors left buried for future use shall be identified by a marker of bright color not less than four (4) feet in height. Properly mark deadman. | Date: 06/18/2020 |

Tanks and Berms:

| | | | | | |
|--------------------|-------|----------|-----------|---------|--------|
| 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 Sufficient | Base Sufficient | Adequate |
| Comment: | Centralized containment | | | |
| Corrective Action: | Date: | | | |

| | | | | | |
|--------------------|-------|----------|-----------|---------|--------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| PRODUCED WATER | 4 | 500 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: | Centralized containment | | | |
| Corrective Action: | Date: | | | |

Venting:

| | | |
|--------------------|-------|--|
| Yes/No | NO | |
| Comment: | | |
| Corrective Action: | Date: | |

Flaring:

| | | |
|--------------------|--|-------|
| Type | | |
| Comment: | | |
| Corrective Action: | | Date: |

| Inspected Facilities | | | | | | | | | |
|----------------------|-----------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 221333 | Type: | WELL | API Number: | 077-05123 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Sediment Traps | Pass | | | | | |
| Berms | Pass | | | | | |
| | | Culverts | Pass | | | |
| Gravel | Pass | | | | | |
| | | Berms | Pass | | | |
| Ditches | Pass | | | | | |
| | | Gravel | Pass | | | |
| | | Ditches | Pass | | | |

Comment: Corrective Action: Date: **Pits:** ☒ NO SURFACE INDICATION OF PIT**Attached Documents**You can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|-----------------------------|---|
| 402413955 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5167103 |
| 699801225 | Photos for Insp. #699801224 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5167100 |