

**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:

01/14/2021

Submitted Date:

01/14/2021

Document Number:

699802423

FIELD INSPECTION FORMLoc ID 334072 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:

11 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 |
|-----------------|-------|---|---------|
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |
| , Caerus | | COGCC.inspections@caerus oilandgas.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-----------------------------|-------------|
| 268077 | WELL | TA | 02/05/2019 | GW | 045-09242 | S.PARACHUTE TBI 36-12 | TA |
| 275950 | WELL | PR | 04/20/2006 | GW | 045-10408 | TBI 36-3BB (PC36) | PR |
| 275951 | WELL | PR | 04/10/2006 | GW | 045-10407 | TBI 25-14BB (PC36) | PR |
| 282129 | WELL | PR | 04/19/2006 | GW | 045-11571 | ENCANA FEDERAL 36-4BB(PC36) | PR |

General Comment:**COGCC Inspection Report Summary**

On Thursday 1/14/21 at approximately 14:00 hours, I, Inspector Corey De Paolo, Conducted, an on-site inspection at CAERUS PICEANCE LLC S.PARACHUTE TBI-67S96W /36NENW, Location #334072 in Garfield County Colorado.

While there, I observed normal production operations.

During this inspection the following possible compliance issues were observed: Multiple holes in tank containment liner. See photo #2638 with a corrective action date of 2/24/21.

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: ☒

| | | | |
|----------------------|----------------------|-------|--|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------------|-----|-------|--|
| Emergency Contact Number: | | | |
| Comment: | 911 | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------------|--------|-------|--|
| Good Housekeeping: | | | |
| Type | DEBRIS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Overall Good: ☒

| | | | | |
|----------------|------|--------|--|--|
| Spills: | | | | |
| Type | Area | Volume | | |

In Containment: No

Comment: ☐ Multiple Spills and Releases?

| | | | |
|---------------------------------|--|-------|-----------------|
| Equipment: | | | corrective date |
| Type: Plunger Lift | # 4 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Vertical Heated Separator | # 4 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 4 | | |
| Comment: | Pressure transducers located on all braden heads. All braden head valves are accessible. | | |
| Corrective Action: | | Date: | |

| | | |
|-----------------------|----------------------|-------|
| Type: Gas Meter Run | # 1 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Bird Protectors | # 1 | |
| Comment: | | |
| Corrective Action: | | Date: |
| Type: Gas Meter Run | # 4 | |
| Comment: | Gas injection meters | |
| Corrective Action: | | Date: |

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 |
|--------------------|---|----------|-----------|---------|--------|
| CONDENSATE | 2 | 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 Insufficient | Base Sufficient | Inadequate |
| Comment: | Multiple holes in tank containment liner. See photo #2638 | | | |
| Corrective Action: | Secondary containment structures shall be sufficiently impervious to contain discharged material. Repair all holes in tank liner. | | | Date: 02/24/2021 |

Venting:

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

Flaring:

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

Inspected Facilities

Facility ID: 268077 Type: WELL API Number: 045-09242 Status: TA Insp. Status: TA

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____

Comment: Last MIT 5/23/17 refer to document #401288759

Corrective Action: _____ Date: _____

Facility ID: 275950 Type: WELL API Number: 045-10408 Status: PR Insp. Status: PR

Producing Well

Comment: Producing

Corrective Action: _____ Date: _____

Facility ID: 275951 Type: WELL API Number: 045-10407 Status: PR Insp. Status: PR

Producing Well

Comment: Producing

Corrective Action: _____ Date: _____

Facility ID: 282129 Type: WELL API Number: 045-11571 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 | | | | |
| | | Check Dams | | | | |
| Sediment Traps | | | | | | |
| | | Berms | | | | |
| | | Culverts | | | | |
| Gravel | | | | | | |
| | | Gravel | | | | |
| Berms | | | | | | |
| | | Compaction | | | | |
| Ditches | | | | | | |

Comment: Location covered with snow at the time of inspection.

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 |
|--------------|-----------------------------|---|
| 699802424 | Photos for Insp. #699802423 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5331031 |