

**FORM
INSP**

Rev
X/20

**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:

05/04/2021

Submitted Date:

05/04/2021

Document Number:

699803021

FIELD INSPECTION FORM

Loc ID 312690 Inspector Name: De Paolo, Corey On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

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

Findings:

- 21 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 |
|-----------------|-------|---------------------------------------|---------|
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |
| , Caerus | | COGCC.inspections@caerusoilandgas.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|------------------------|-------------|
| 270370 | WELL | SI | 09/01/2020 | GW | 077-08799 | ORCHARD 10-10D (J100U) | PR |

General Comment:

COGCC Inspection Report Summary
On Tuesday 5/4/21 at approximately 13:00 hours, I, Inspector Corey De Paolo, Conducted an on-site inspection at CAERUS PICEANCE LLC ORCHARD-68S96W /10NWSE, Location #312690 in Mesa County Colorado.
Refer to document #699802829 inspection conducted on 3/26/21. Previous corrective actions have not been completed. While there, I observed normal production operations.
During this inspection the following compliance issues were observed:

- 1) No battery sign located at the tank battery with a corrective action date of 8/4/21.
- 2) Flow line heating insulation open ended and not capped with a corrective action date of 6/4/21.
- 3) Location lacks stabilization. No form of tracking BMP at entrance to location. Gully erosion occurring on East side of access road. Run on to location is not effectively being controlled. Sediment has migrated on to location and is encroaching on tank containment with a previous corrective action date of 4/9/21.

- Location is located on in a high priority habitat area.

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

Overall Good:

| Signs/Marker: | | | |
|----------------------|--|-------|------------|
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | No battery sign located at the tank battery. | | |
| Corrective Action: | A permanent, conspicuous sign will be located at the tank battery. | Date: | 08/04/2021 |
| Type | WELLHEAD | | |
| Comment: | Wellhead signs missing required information | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------------|------------------|-------|--|
| Emergency Contact Number: | | | |
| Comment: | 911/970-625-4209 | | |
| Corrective Action: | | Date: | |

Overall Good:

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

In Containment: No

Comment:

Multiple Spills and Releases?

| Fencing/: | | | |
|--------------------|-----------------------------------|-------|--|
| Type | LOCATION | | |
| Comment: | Barbed wire fence around location | | |
| Corrective Action: | | Date: | |

| Equipment: | | | | corrective date |
|-----------------------|--|-------|--|-----------------|
| Type: Plunger Lift | # 1 | | | |
| Comment: | Well on plunger lift | | | |
| Corrective Action: | | Date: | | |
| Type: Gas Meter Run | # 1 | | | |
| Comment: | Summit midstream | | | |
| Corrective Action: | | Date: | | |
| Type: Bird Protectors | # 1 | | | |
| Comment: | | | | |
| Corrective Action: | | Date: | | |
| Type: Bradenhead | # 1 | | | |
| Comment: | Pressure transducer located on braden head. All braden head valves are accessible. | | | |
| Corrective Action: | | Date: | | |
| Type: Gas Meter Run | # 1 | | | |

| | | | | |
|-----------------------------------|--|--|-------|------------|
| Comment: | All meter runs have been calibrated in the last year | | Date: | |
| Corrective Action: | | | Date: | |
| Type: Other | # 1 | | | |
| Comment: | Flow line heating insulation open ended and not capped. | | Date: | |
| Corrective Action: | Operators will prevent and minimize adverse impacts to wildlife resources. | | Date: | 06/04/2021 |
| Type: Horizontal Heated Separator | # 1 | | | |
| Comment: | | | Date: | |
| Corrective Action: | | | Date: | |

Tanks and Berms:

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

Venting:

| | | |
|--------|----|--|
| Yes/No | NO | |
|--------|----|--|

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

Flaring:

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

Inspected Facilities

Facility ID: 270370 Type: WELL API Number: 077-08799 Status: SI 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 |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|--|
| | | Ditches | | | | |
| | | Sediment Traps | | | | |
| Berms | | | | | | |
| Check Dams | Fail | | | | | Run on to location occurring |
| Gravel | Fail | | | | | Gravel insufficient |
| | | Gravel | | | | |
| Ditches | Fail | | | | | Gully erosion occurring |
| | | Berms | | | | |
| Compaction | Fail | | | | | Location lacks stabilization |
| Ditches | | | | | | |
| | | | | Material Handling And Spill Prevention | | Methanol tank |
| | | Culverts | | | | |
| Other | Fail | | | | | No form of tracking BMP at entrance to location. |
| Sediment Traps | | | | | | |

Comment: Location lacks stabilization. No form of tracking BMP at entrance to location. Gully erosion occurring on East side of access road. Run on to location is not effectively being controlled. Sediment has migrated on to location and is encroaching on tank containment.

Corrective Action: Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations.

Date: 04/09/2021

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|---|----------|------------|
| Refer to Signs/Markers, Equipment and Storm water for corrective actions. | depaoloc | 05/04/2021 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------------------|---|
| 699803022 | Photos for Insp. #699803021 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5420873 |