

**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:

05/26/2021

Submitted Date:

05/27/2021

Document Number:

696202722**FIELD INSPECTION FORM**

Loc ID 335904	Inspector Name: Trujillo, Aaron	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____	Status Summary: <input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED
Operator Information: OGCC Operator Number: <u>10456</u> Name of Operator: <u>CAERUS PICEANCE LLC</u> Address: <u>1001 17TH STREET #1600</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>				Findings: 12 Number of Comments 4 Number of Corrective Actions <input checked="" type="checkbox"/> 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
291786	WELL	XX	01/29/2020	LO	045-14519	BJU G35 FED 11B-35-496	ND
291810	WELL	XX	01/29/2020	LO	045-14530	BJU G35 FED 11C-35-496	ND
335904	LOCATION	AC			-	NPM G35-496 Pad	CI
476649	WELL	XX	05/29/2020		045-24331	BJU G35 FED 12D-35-496	ND
476650	WELL	XX	05/29/2020		045-24332	BJU G35 FED 12A-35-496	ND
476651	WELL	XX	05/29/2020		045-24333	BJU G35 FED 15A-35-496	ND
476652	WELL	XX	05/29/2020		045-24334	BJU G35 FED 12B-35-496	ND
476653	WELL	XX	05/29/2020		045-24335	BJU G35 FED 24A-35-496	ND
476654	WELL	XX	05/29/2020		045-24336	BJU G35 FED 13B-35-496	ND
476655	WELL	XX	05/29/2020		045-24337	BJU G35 FED 15B-35-496	ND
476656	WELL	XX	05/29/2020		045-24338	BJU G35 FED 11D-35-496	ND
476657	WELL	XX	05/29/2020		045-24339	BJU G35 FED 23B-35-496	ND
476658	WELL	XX	05/29/2020		045-24340	BJU G35 FED 14C-35-496	ND
476659	WELL	XX	05/29/2020		045-24341	BJU G35 FED 25C-35-496	ND
476660	WELL	XX	05/29/2020		045-24342	BJU G35 FED 13D-35-496	ND
476661	WELL	XX	05/29/2020		045-24343	BJU G35 FED 14B-35-496	ND
476662	WELL	XX	05/29/2020		045-24344	BJU G35 FED 23C-35-496	ND
476663	WELL	XX	05/29/2020		045-24345	BJU G35 FED 14D-35-496	ND
476664	WELL	XX	05/29/2020		045-24346	BJU G35 FED 25B-35-496	ND
476665	WELL	XX	05/29/2020		045-24347	BJU G35 FED 23D-35-496	ND
476666	WELL	XX	05/29/2020		045-24348	BJU G35 FED 25A-35-496	ND

General Comment:

On 5/26/2021, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Caerus Piceance LLC's NPM G35-496 location in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

605.g: Signs and Markers General Condition

606.a: Good Housekeeping

1002.b: Soil salvage and segregation

1002.c: Protection of soils

1002.f: Stormwater

Refer to the "Location", "Reclamation" and "Stormwater" sections 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 inspection on this site will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

LocationOverall Good: ☐**Signs/Marker:**

Type	OTHER		
Comment:	Signage at Location entrance not legible		
Corrective Action:	Install sign to comply with Rule 605.g.		Date: 06/27/2021

Emergency Contact Number:

Comment:		
Corrective Action:		Date: _____

Good Housekeeping:

Type	DEBRIS		
Comment:	Pipe equipment observed on the north end of the Location; equipment does not appear to be in use, or in a useable condition and is considered debris		
Corrective Action:	Comply with Rule 606.a		Date: 06/27/2021

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:

Inspected Facilities				
Facility ID: <u>291786</u>	Type: <u>WELL</u>	API Number: <u>045-14519</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>291810</u>	Type: <u>WELL</u>	API Number: <u>045-14530</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>335904</u>	Type: <u>LOCATION</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>CI</u>
Facility ID: <u>476649</u>	Type: <u>WELL</u>	API Number: <u>045-24331</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476650</u>	Type: <u>WELL</u>	API Number: <u>045-24332</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476651</u>	Type: <u>WELL</u>	API Number: <u>045-24333</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476652</u>	Type: <u>WELL</u>	API Number: <u>045-24334</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476653</u>	Type: <u>WELL</u>	API Number: <u>045-24335</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476654</u>	Type: <u>WELL</u>	API Number: <u>045-24336</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476655</u>	Type: <u>WELL</u>	API Number: <u>045-24337</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476656</u>	Type: <u>WELL</u>	API Number: <u>045-24338</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476657</u>	Type: <u>WELL</u>	API Number: <u>045-24339</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476658</u>	Type: <u>WELL</u>	API Number: <u>045-24340</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476659</u>	Type: <u>WELL</u>	API Number: <u>045-24341</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476660</u>	Type: <u>WELL</u>	API Number: <u>045-24342</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476661</u>	Type: <u>WELL</u>	API Number: <u>045-24343</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476662</u>	Type: <u>WELL</u>	API Number: <u>045-24344</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476663</u>	Type: <u>WELL</u>	API Number: <u>045-24345</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>476664</u>	Type: <u>WELL</u>	API Number: <u>045-24346</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>

Facility ID:	476665	Type:	WELL	API Number:	045-24347	Status:	XX	Insp. Status:	ND
Facility ID:	476666	Type:	WELL	API Number:	045-24348	Status:	XX	Insp. Status:	ND

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

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

Land Use: OTHER, RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____ Fail _____

Comment _____

Operator has salvaged and placed topsoil along the perimeter of the Location; topsoil has been utilized at the base of the fill slopes/subsoils of the Location as a berm and sediment trap/pond to manage stormwater (See "Stormwater"). Topsoil has not been properly separated and protected, is being mixed with subsoil, and is at risk for loss due to stormwater discharge displacing the topsoil; Utilization of topsoil as stormwater control measures does not comport with Rule 1002.b and 1002.c.

Corrective Action _____

Comply with Rule 1002.b.(2) and 1002.c.

Date **06/27/2021**

1002c. PROTECTION OF SOILS _____ Fail _____

Comment _____

See "Stormwater" and 1002.b

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 [See "COGCC Comments" for comments regarding construction and interim reclamation of the Location.](#)

Corrective Action _____ Date _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND

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 ☐

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Hydro Mulch	Fail					
Gravel						
Compaction						
Retention Ponds	Fail					East/West end of Location, topsoil.
Berms	Fail					Perimeter of Location-topsoil
Culverts						
Ditches						
Waddles	Fail					
Gravel						

Comment: [See "COGCC Comments" for comments regarding Stormwater.](#)

Corrective Action: [Install or repair required BMPs per Rule 1002.f.\(2\)C. Ensure control measures are adequate for the site's conditions, implemented in accordance with good engineering practices, and maintained in proper functioning condition.](#)

Date: 05/29/2021

Pits: ☐ NO SURFACE INDICATION OF PIT

Permit:	Facility ID	Permit Num	Expiration Date
	414393	1630593	
	414393	1630593	

COGCC Comments

Comment	User	Date
<p>CONSTRUCTION AND RECLAMATION COMMENTS</p> <p>Initial disturbance of the Location was ~2007 and two wells were drilled/produced.</p> <p>Operator amended the Location and permitted 20 additional wells. Per form 42 #402526776, construction to expand the pad began 11/9/2020.</p> <p>It was observed in this inspection that the construction of the Location has been completed for the well site, and the frac support pad on the NW end of the Location. Conductors and cellars for the undrilled wells have been set; plates have been welded on the top of the conductor pipe, and conductors have been covered and fenced per Rule 406.e.(3).</p> <p>Well file records show 1/8/2021 as the cement date for the last conductor to be set. No drilling or subsequent operations were observed at time of inspection; pursuant to Rule 406.e.(4), if wells have not been drilled within 6 months of setting the conductors (July, 2021), conductors will require plugging and Location reclaimed in accordance with 1003 Rules. If continuous drilling operations are not planned, Operator will be required to comply with the Interim Reclamation, Delayed Operations NTO.</p>	trujilloam	05/27/2021

STORMWATER COMMENTS

trujilloam

05/27/2021

It was observed in this inspection that stormwater and erosion control measures on the Location were missing, or insufficient.

-Control measures to protect and stabilize the cut/fill slopes of the Location missing or insufficient.

-Hydromulch implemented on topsoil/soil stockpiles along the perimeter of the Location no longer in proper functioning condition.

-Sections of erosion logs observed along the perimeter of the Location no longer in proper functioning condition.

-Operator has utilized topsoil at the base of the fill slopes/subsoils of the Location as a berm and sediment trap/pond to manage stormwater. Topsoil is not an appropriate material to construct stormwater control measures, and is at risk of degradation, loss and displacement due to stormwater discharge; use of topsoil as stormwater control measures does not comport with Rule 1002.b and 1002.c.

Attached Documents

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

Document Num	Description	URL
696202724	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5442980