



VIA ELECTRONIC MAIL –

July 16, 2021

Jake Janicek
EH&S Specialist
Environmental Health and Safety
Caerus Oil and Gas LLC
143 Diamond Avenue
Parachute, Colorado 81635

**Subject: Report of Work Completed
 Tank Battery Manway Release
 Parachute Creek 10 (PC-10)
 North Parachute Ranch (NPR)
 Garfield County, Colorado**

Dear Mr. Janicek:

WSP USA Inc. (WSP), on behalf of Caerus Oil and Gas LLC (Caerus), completed an integrity inspection of the secondary containment liner associated with the tank battery manway cover failure at the PC-10 (Facility ID: 335578) pad location (Site). The secondary containment liner inspection was in response to the condition of approval (COA) issued by the Colorado Oil and Gas Conservation Commission (COGCC) in initial Spill/Release Report Form 19 Document Number 402730722 (Spill/Release Point ID: 480188). The inspection of the secondary containment liner was requested after a release of greater than 5 barrels and less than 100 barrels was reported to have been released from the hole within with tank battery manway cover into the secondary containment in Garfield County, Colorado (Figure 1).

LINER INSPECTION ACTIVITIES

On July 1, 2021, WSP personnel visited the Site to complete an integrity inspection of the secondary containment liner associated with the release of produced water from the failed tank battery manway cover. During the inspection, areas containing gravel were scraped to the liner surface with the inspector's shoe as not to damage the liner. The liner was then inspected for any abrasions, holes, rips, tears, and defects. Additionally, areas containing no gravel were inspected for any abrasions, holes, rips, tears, and defects. During the integrity inspection of the secondary containment, no abrasions, holes, rips, tears, and/or defects were observed throughout the liner. The containment liner and metal berm were in functioning condition with no signs of apparent leakage. Some standing water remained inside the liner from the recent precipitation events. In addition, the immediate perimeter outside of the secondary containment was inspected for staining and saturated areas. No staining or saturation in the areas surrounding the outside of the secondary containment was observed. The photos from the integrity liner inspection are included as Enclosure A. The enclosed Site Map illustrates the inspection location associated with the inspection (Figure 2).

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Please contact us at (970) 618-4514 or (303) 548-5097 if you have any questions regarding this report or require additional information.

Kind regards,

A handwritten signature in blue ink, appearing to read 'D. Held'.

Dustin Held
Consultant, Environmental Geologist

A handwritten signature in blue ink, appearing to read 'Robert T. Rebel'.

Rob Rebel, P.E.
Technical Principal, Environmental Engineer

Encl.

FIGURES



IMAGE COURTESY OF GOOGLE EARTH 2016

LEGEND

- ✕ RELEASE LOCATION
- ⊙ INSPECTION POINT
- * PHOTO REFERENCE LOCATION

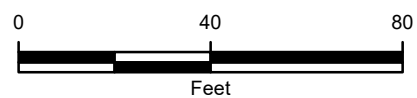


FIGURE 2
SITE MAP
 PC-10
 SWNW SEC 4-T6S-R96W
 GARFIELD COUNTY, COLORADO
 CAERUS OIL AND GAS LLC



ENCLOSURE A – PHOTOGRAPHIC LOG



PHOTOGRAPHIC LOG		
Caerus Oil and Gas LLC	Parachute Creek 10	TE050821009



Photo No.	Date	
1	July 1, 2021	
Tank battery secondary containment overview with replaced manway cover; View south		


Photo No.	Date	
2	July 1, 2021	
Tank battery and replaced manway cover; View south		



PHOTOGRAPHIC LOG

Caerus Oil and Gas LLC	Parachute Creek 10	TE050821009
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Photo No.	Date	
3	July 1, 2021	
Tank battery secondary containment liner integrity inspection; View southeast		

Photo No.	Date	
4	July 1, 2021	
Tank battery secondary containment liner integrity inspection; View west		



PHOTOGRAPHIC LOG

Caerus Oil and Gas LLC	Parachute Creek 10	TE050821009
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Photo No.	Date	
5	July 1, 2021	
Tank battery secondary containment liner integrity inspection with graveled surface; View north		

Photo No.	Date	
6	July 1, 2021	
Tank battery secondary containment ring; View southwest		