

**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:

07/22/2021

Submitted Date:

07/27/2021

Document Number:

696202976**FIELD INSPECTION FORM**Loc ID 335573 Inspector Name: Trujillo, Aaron 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:

4 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
, "		COGCC.inspections@caerus oilandgas.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
335573	LOCATION	AC			-	N. Parachute EF G29 595	RI

General Comment:

On 7/22/2021, Reclamation Specialist Trujillo and Reclamation Supervisor Arthur conducted an interim reclamation and stormwater inspection at Caerus Piceance's N. Parachute EF G29 595 Location in Garfield County, Colorado.

This inspection is a followup to #696202456, #698100232 and #696202866 to document compliance for the following corrective actions:
-1003: Interim reclamation

Below is a summary of this inspection report:

-Records show 6/30/2011 as the "date of 1st production" interim reclamation was required by 12/30/2011; Doc. #401121866 (9/30/2016) stated that the Location would be interim-reclaimed in 2016.

-Reclamation Inspection #696202456 (3/9/2021) documented that the Location is out of compliance with COGCC 1003 Rules; open pits with cuttings observed on the southeast end of the Location. Inspection required Operator to comply with 1003 Rules by 12/31/2016.

-Environmental inspection #698100232 (3/31/2021) required Operator to submit a Form 27 with information including documentation and demonstration of compliance with the 1/5/2017 COGCC NTO for Interim Reclamation Procedures for Delayed Operations (including cost estimates for removal, transport and disposal in addition to the cost to perform interim reclamation).

-It was observed in this inspection that the Location remains out of compliance with COGCC 1000 series rules, and corrective actions; Interim reclamation of the Location has not been performed; open pits with cuttings remain on the southwest end of the Location; Operator submitted Form 27(I) #402645103 on 3/31/2021, however Operator failed to include documentation and demonstration of compliance with the 1/5/2017 COGCC NTO for Interim Reclamation Procedures for Delayed Operations (including estimates for removal, transport and disposal in addition to the cost to perform interim reclamation) attached to the Form 27 per the corrective action.

This Location remains out of compliance with COGCC Rules and Corrective actions.

Refer to the "Reclamation" and "Environmental" sections of this inspection report for additional details.

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.

Environmental**Spill/Remediation:**

Comment:

Environmental inspection required Operator to Submit a Form 27 that includes the following information by 7/01/2017:

- 1) a comprehensive project summary including total cuttings volume and cuttings management cell construction information
- 2) remediation workplan with implementation schedule and anticipated completion date
- 3) comprehensive analytical summary table comparing cuttings samples collected to date to the complete Table 915-1 list using the Protection of Groundwater Screening Level Concentrations
- 4) documentation and demonstration of compliance with the 1/5/2017 COGCC NTO for Interim Reclamation Procedures for Delayed Operations, this would include estimates for removal, transport and disposal in addition to the cost to perform interim reclamation.
- 5) information required by Rule 915.b if the Operator intends to request to utilize cuttings with exceedances for EC, SAR, pH, and/or boron for interim reclamation.

Operator submitted F27 #402645103 on 03/31/2021; however, Operator did not submit the required documentation and demonstration of compliance with the 1/5/2017 COGCC NTO, as well as the cost estimates required by the corrective action; no variance has been approved for this Location.

This portion of the corrective action remains applicable.

Corrective Action:

Submit documentation and demonstration of compliance with the 1/5/2017 COGCC NTO for Interim Reclamation Procedures for Delayed Operations, this would include estimates for removal, transport and disposal in addition to the cost to perform interim reclamation.

Date: 07/01/2017

Operator shall submit the required documentation attached to a Form 4 to NW EPS Arauza, and NW Reclamation Specialist Trujillo.

Emission Control Burner (ECB): _____

Comment:

Pilot: _____

Wildlife Protection Devices (fired vessels): _____

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

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

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

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

Reclamation Inspection #696202456 (3/9/2021) documented that the Location is out of compliance with COGCC 1003 Rules; open pits with cuttings observed on the southeast end of the Location. Inspection required Operator to comply with 1003 Rules by 12/31/2016.

It was observed in this inspection that the Location remains out of compliance with COGCC 1000 series rules, and corrective actions; Interim reclamation of the Location has not been performed, and no Interim Reclamation Procedures for Delayed Operations variance request has been approved.

This Location will remain out of compliance with COGCC Reclamation Rules until a variance has been approved, or interim reclamation has been completed per 1003 Rules and corrective actions.

Corrective Action

Comply with COGCC 1003 Rules and conduct interim reclamation; ensure erosion controls are implemented to stabilize the seeded soil, and continue to monitor and manage this site until Final Reclamation has passed. Doc. #40112186 states Location would be reclaimed in 2016, therefore a corrective action date of 12/31/2016 is being provided.

Date **12/31/2016**

Overall Interim Reclamation **Fail**

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

Inspector Name: Trujillo, Aaron

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 ☐

Attached Documents

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

Document Num	Description	URL
402761280	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5490195
696202977	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5490190