

**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:

04/21/2022

Submitted Date:

04/26/2022

Document Number:

702800153**FIELD INSPECTION FORM**
 Loc ID 335228 Inspector Name: O'Malley, Anna On-Site Inspection ☐ 2A Doc Num:
Operator Information:OGCC Operator Number: 10456Name of Operator: CAERUS PICEANCE LLCAddress: 1001 17TH STREET #1600City: DENVER State: CO Zip: 80202**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**5 Number of Comments1 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
335228	LOCATION	AC			-	BENZEL DISPOSAL- 66S93W 36NWNE	RI

General Comment:

On 04/21/2022, Reclamation Specialist O'Malley conducted an interim reclamation and stormwater inspection at Caerus Piceance LLC's Benzel Disposal-66S93W /36NWNE Location #335228 in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

- Unused concrete forms present
- Pad not adequately reduced
- Subsidence in eastern interim area
- Noxious weeds (knapweed)

Refer to the "Reclamation," "Stormwater" and "COGCC Comments" 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.

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

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

Land Use: _____

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? Pass

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? Fail 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? F

Comment See "COGCC Comments" for "INTERIM RECLAMATION COMMENTS"

Corrective Action **Corrective Action #1: Conduct weed management to prevent further establishment and spread of noxious weeds in accordance with Rule 1003.f by 5/26/2022. Ongoing weed management is required until location passes final reclamation.**

Corrective Action #2: In accordance with Rule 1003; Remove unused concrete forms and reduce and reclaim areas no longer needed for production, including, but not limited to areas at the southeast of the pad, surrounding the concrete forms. Reclamation activities shall be completed no later than 5/26/2022.

Corrective Action #3: Address subsidence occurring in the eastern interim areas of the Location in accordance with Rules 1003 and 602.c. by 5/26/2022.

Date 05/26/2022

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

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

Final Land Use: _____

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

Comment: At the time of this inspection, it is unclear if the subsidence issues in the northeastern interim areas are a result of erosion.

Corrective Action: _____

Date: _____

Pits: ☐ NO SURFACE INDICATION OF PIT**COGCC Comments**

Comment	User	Date
INTERIM RECLAMATION COMMENTS	omalleya	04/25/2022
<p>#1. A patch of knapweed (CO List B Noxious Weed) is established in the interim area at the southwest of the Location, adjacent to the tank battery. Plants were observed to be sprouting new growth at the time of this inspection.</p> <p>#2. A row of concrete forms is present at the southeast of the pad area. This equipment does not appear to be necessary for production activities. The southeastern portion of the pad area, surrounding the unused concrete forms does not appear to be necessary for production activities. This area needs to be reclaimed per 1003 Rules. Interim reclamation includes but is not limited to, removal of unused equipment, compaction alleviation, gravel removal, recontouring/regrading and revegetation of areas not needed for production operations.</p> <p>#3. Subsidence is occurring throughout the northeastern interim area of the Location resulting in holes as large as approximately 3 feet wide, 4 feet long and 4 feet deep. COGCC has concerns, given that dozens of holes were observed across this area. The subsidence and resulting holes are interfering with achievement of 1003 Interim Reclamation standards. Additionally, the holes pose a danger to safety of employees, the public, and wildlife.</p> <p>#4. Interim reclamation areas throughout the Location (excluding those at the southeast of the pad mentioned in comment #2 and those to the northeast, mentioned in comment #3, where subsidence is occurring) are colonized by perennial grasses (crested wheatgrass, smooth brome, intermediate wheatgrass), shrubs (rabbitbrush, sagebrush) and undesirable plant species/weeds (pale madwort, bur buttercup). While the perennial grass species are not native, the adjacent reference areas also contain these same introduced perennial grass species.</p>		

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

Document Num	Description	URL
702800154	Inspection Photos	http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5735488