

**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:

06/22/2022

Submitted Date:

06/23/2022

Document Number:

696203777**FIELD INSPECTION FORM**Loc ID 458475 Inspector Name: Trujillo, Aaron 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:9 Number of Comments4 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
Fischer, Alex		alex.fischer@state.co.us	
Arauz, Steven		steven.arauza@state.co.us	
,		COGCC.inspections@caerus oilandgas.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
458475	LOCATION	AC			-	ELU A24-496 Pad	RI

General Comment:

On 6/22//2022, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Caerus Piceance LLC's ELU A24-496 Pad Location in Garfield County, Colorado.

This inspection is a followup to no. 696203710 to document compliance with the following corrective actions:

- Active spill and stained soils at temporary produced water tank
- Labeling information
- Good Housekeeping
- Interim Reclamation and storage of equipment not necessary for production on the Location
- Protection of topsoil
- Inadequate secondary containment

It was observed in this inspection that the Location remains out of compliance with COGCC Rules and Corrective actions.

Refer to the "Location", "Environmental" and "Reclamation" 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	TANK LABELS/PLACARDS		
Comment:	Inspection #696203710 observed produced water tank on the south end of the wells was missing correct Operator and capacity information. Signage/labelling has been installed with correct information. This CA has been addressed.		
Corrective Action:		Date:	

Emergency Contact Number:

Comment:		
Corrective Action:		Date: _____

Good Housekeeping:

Type			
Comment:	Inspection #696203710 observed various trash, debris and equipment not necessary for production stored throughout the Location. Inspection required Operator to comply with Rule 606 by 6/17/2022. Though majority of the trash/debris/unnecessary equipment previously observed has been removed, tanks stored on the north end of the Location have not been removed. CA remains applicable.		
Corrective Action:	Comply with Rule 606	Date:	06/17/2022

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:

Environmental**Spills/Releases:**

Type of Spill: PRODUCED WATER

Estimated Spill Volume: _____

Comment: Inspection #696203710 observed fluids spilling from the top line at the produced water tank adjacent to the wells, resulting in impacts to soils at the base and beneath the tank. Operator was provided notice day of inspection. Inspection required Operator to Control and contain spills/releases by 5/17/2022, and to clean up per Rule 912.a by 6/17/2022. Spill was documented to be outside of containment; unclear if the spill is >1 bbl. It was observed in this inspection that fluids are no longer spilling from the line, and the spill appears to be controlled. It was also observed that impacts at base and under tank do not appear to have been cleaned/remediated; soils beneath tank appear damp. No resolution has been submitted, and no documentation of cleanup efforts or demonstration of compliance with Table 915-1 have been provided.

Corrective Action: Clean up per Rule 912.a by 6/17/2022

Date: 06/17/2022

Reportable: _____

GPS: Lat _____

Long _____

Proximity to Surface Water: _____

Depth to Ground Water: _____

Water Well Complaint:

Lat

Long

DWR Receipt Num: _____

Owner Name: _____

GPS : _____

Field Parameters:

Sample Location: _____

Comment: _____

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 _____ Fail _____

Comment [See "Comment #1" under COGCC Comments](#)Corrective Action [Comply with 1002.c and implement BMPs to protect soil stockpiles](#)Date **05/24/2022**

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

Previous inspection observed that Location has not been conducted in accordance with 1003 rules; records show all wells on the location have either been plugged, or drilled and producing since 11/3/2020; pursuant to Rule 1003.b, interim reclamation was required by 5/3/2021.

Though mobilization efforts appear to be in process, it was observed that interim reclamation of the Location has not commenced. Corrective action remains applicable.

Corrective Action

Comply with 1003 Rules

Date **05/03/2021**

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 <input type="checkbox"/>		Multi-Well Location <input type="checkbox"/>		

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

Comment: Inspection #696203710 observed that the secondary containment BMP at white tank on the east end of the Location not in proper functioning condition. Inspection required Operator to comply with 1002.f.

It was observed in this inspection that the tank has been removed; CA is no longer applicable.

Corrective Action:

Date:

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
<p>COMMENT #1</p> <p>Inspection #696203710 observed that Operator has constructed a pipeline constructed upon areas of the topsoil on the east and north end of the Location. It was noted that this does not appear to be protective of soils per Rule 1002.c. Inspection also observed that soils are currently bare and exposed along many sections of the topsoil stockpile, and are at risk to erosion. Inspection required Operator to comply with 1002.c and implement BMPs to protect the soil stockpiles.</p> <p>Operator submitted a Factual Review Request Resolution Form (#403053180) stating that "Topsoil has been seeded, and vegetation is starting to emerge. The temporary above-ground pipeline has been pressure tested and is sound, thus it should not damage topsoil. This line will be removed when no longer needed". Resolution was "approved pending re-inspection" with the following comment:</p> <p>"Prior to the establishment of vegetation, seeding alone is insufficient when soils are bare. Ensure BMPs are maintained in order to protect stockpiles in accordance with 1002.c and 1002.f".</p> <p>It was observed in this inspection that BMPs to protect the stockpiles remain missing or insufficient; much of the top of the stockpiles remain bare and exposed, or vegetated by Undesirable Weedy Plant Species such as Russian thistle, cheatgrass, etc... BMPs to prevent weed establishment remain inadequate.</p> <p>This corrective action remains applicable.</p>	trujilloam	06/23/2022

Attached Documents

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

Document Num	Description	URL
696203778	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5787581