

**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:

06/24/2022

Document Number:

696203781**FIELD INSPECTION FORM**Loc ID 467272 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:15 Number of Comments8 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
Arthur, Denise		denise.arthur@state.co.us	
Arauz, Steven		steven.arauza@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
467272	LOCATION	AC			-	ELU J14 FED-496 PAD	RI

General Comment:

On 6/22//2022, Reclamation Specialist Trujillo inspected Caerus Piceance LLC's ELU J14 FED-496 Pad Location in Rio Blanco County, Colorado.

This inspection is a follow-up to #696203714 to document compliance with the following corrective actions:

- Protection of soils
- Spills / Impacted materials
- Good Housekeeping
- Stormwater

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

The following, additional compliance issues were observed during this inspection

- Signage
- Spills / Impacted materials
- Good Housekeeping

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	WELLHEAD		
Comment:	Records show that as of 3/24/2022, all permitted wells on the Location have been drilled, or plugged. Signs at wells are required within 60 days after the well is completed. Signage missing from wells on the Location.		
Corrective Action:	Install sign to comply with Rule 605.d.	Date:	07/24/2022
Type	BATTERY		
Comment:	Battery with 3 tanks has been installed on the southwest end of the Location; facility and tanks missing signage and labeling. Unknown when tank battery was installed; ensure signage and labeling is installed at facility and tanks, within 60 days after the installation of battery.		
Corrective Action:		Date:	

Emergency Contact Number:

Comment:		
Corrective Action:		Date: _____

Good Housekeeping:

Type	DEBRIS		
Comment:	Inspection #696203714 observed various trash and debris (e.g. dried weed debris, tube, plastics) were observed along the perimeter of the Location, and blown off-site north of the Location. It was observed in this inspection that trash/debris blown off from north of the Location appears to have been removed; however, weed debris and trash along the perimeter of the Location have not been removed. This CA has not been addressed and remains applicable.		
Corrective Action:	Comply with Rule 606; remove and properly dispose of trash and debris both on the Location, and blown off site from the Location.	Date:	05/25/2022
Type	WEEDS		
Comment:	Inspection #696203714 notified Operator of Undesirable Plant Species germinating on the Location, and advised maintenance to ensure Location remains free of Undesirable Plant Species pursuant to Rule 606.c. It was observed in this inspection that proactive measure to prevent weed establishment have not been taken by Operator- Undesirable Plant Species have continued to establish on the Location, as well as on the topsoil stockpiles along the Location's perimeter.		
Corrective Action:	Comply with Rule 606.c and Rule 1002.c; ensure BMPs Best to prevent weed establishment and protect stockpiled soils are maintained per good engineering practices.	Date:	07/01/2022

Overall Good: ☐**Spills:**

Type	Area	Volume		
Other				

Comment:	Inspection #696203714 observed impacted materials due to drill cuttings spilled outside of containment, and that Operator failed to properly clean the spill.			
	Inspection required Operator to Provide analytical summary table comparing sample results for cuttings samples to Table 915-1 along with laboratory reports via a Form 4 Sundry to EPS Arauza.			
	No Form 4 Sundry with the required analytical summary has been submitted per the corrective action; corrective action remains applicable.			
Corrective Action:	Provide analytical summary table comparing sample results for cuttings samples to Table 915-1 along with laboratory reports via a Form 4 Sundry to EPS Arauza		Date:	05/25/2022
Other				
Comment:	Stained soils observed on the east end of the Location. See photo 8.			
Corrective Action:	Investigate, clean up, and document impacts resulting from Spill/Release.		Date:	07/01/2022
Other				
Comment:	Inspection #696203714 observed impacted materials due to drill cuttings spilled outside of containment, Operators is being directed to document cleanup efforts and provide documentation of the cleanup.			
Corrective Action:	Provide documentation, attached to a Form 4, of cleanup per Rule 912.a(5). Specifically, provide demonstration of compliance within the impacted area(s) with Table 915-1, including complete documentation of soil sampling (soil location diagram, analytical summary table, complete lab reports).		Date:	07/24/2022

In Containment: No

Comment: Inspection #696203714 observed impacted materials due to drill cuttings spilled outside of containment, and that Operator failed to properly clean the spill. Inspection required Operator to properly dispose oily waste and impacted materials per Rule 905.e.

It was observed in this inspection that the impacted material appears to have been removed from surface per the CA; however, extent of the impact is unclear. See corrective action above regarding documentation of cleanup and compliance within the impacted area(s).

☐ Multiple Spills and Releases?
Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

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 "COGCC Comments".](#)Corrective Action [Comply with Rule 1002.b and 1002.c](#)Date **06/18/2022**

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Fail _____

Comment [See "Soil removal and Segregation", and "Stormwater".](#)

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 Records show that as of 3/24/2022, all permitted wells on the Location have been drilled, or plugged. Pursuant to Rule 1003.b, interim reclamation of the Location is required within 6 months, no later than 9/24/2022. A follow up inspection will be conducted to determine compliance with 1003 Rules.

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 <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: See "COGCC Comments"						Date: 05/25/2022
Corrective Action: Install or repair required BMPs per Rule 1002.f. Ensure control measures are adequate for the site's conditions, implemented in accordance with good engineering practices, and maintained in proper functioning condition.						
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						

COGCC Comments		
Comment	User	Date
STORMWATER COMMENT Inspection #696203714 observed that control measures to minimize erosion and degradation on the Location were missing or insufficient; control measures to minimize erosion/degradation at the slopes of the Location are missing or insufficient; 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.; topsoil stockpiles along perimeter predominantly bare, and unvegetated, and at risk to erosion; inlet at the sediment trap/pond on the north end of the Location does not appear to be properly engineered; gully erosion/degradation at the inlet/control. It was observed in this inspection that control measures to minimize erosion and degradation at the slopes of the Location, including the topsoil stockpiles along the perimeter of the Location, remain missing or insufficient. It was also observed in this inspection that additional work has been conducted to maintain inlet at the sediment trap on the north end of the Location, however inlet does not appear to have been constructed with geotextile lining per good engineering practices, and degradation beneath the armoring of the control is recurring.	trujilloam	06/24/2022
PROTECTION OF SOILS COMMENT Inspection #696203714 observed that 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. Inspection required Operator to comply with Rule 1002.b and 1002.c. It was observed in this inspection that topsoil remains in use at the base of the fill slopes/subsoils of the Location as a berm and sediment trap/pond to manage stormwater. Corrective action has not been addressed.	trujilloam	06/24/2022

Attached Documents

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

Document Num	Description	URL
696203782	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5789205