

**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:

06/27/2022

Document Number:

696203783**FIELD INSPECTION FORM**Loc ID 479149 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:14 Number of Comments3 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
479149	LOCATION	AC			-	BJU B26-496 Pad	RI

General Comment:

On 6/22/2022, Reclamation Specialist Trujillo conducted a pre-drill stormwater and construction inspection at Caerus Piceance LLC's BJ B26-496 Pad Location in Rio Blanco County, Colorado.

This inspection is a follow-up to #696203134 and #696203716 to document compliance with the following corrective actions:

- Stormwater
- Soil removal, segregation and protection of topsoil
- Conductors

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

The following NEW compliance issues observed per this inspection

- Material spills / spill prevention

Refer to the "Location Construction" 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	OTHER		
Comment:	Signage at Location entrance		
Corrective Action:		Date:	
Type	OTHER		
Comment:	All materials/containers/etc... on site for use in drilling operations have been appropriately labeled to allow for identification.		
Corrective Action:		Date:	

Emergency Contact Number:

Comment:	970-285-2615 (Location Entrance)	
Corrective Action:		Date: _____

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: _____

Location Construction

Location ID: 479149 CDP: _____

Comment: Copy of the approved Form 2A posted within company trailer per 406.cCorrective Action: Date: _____**Form 2A COAs:**Comment: Corrective Action: Date: _____**Wildlife BMPs:**Comment: Corrective Action: Date: _____**Stormwater:**

Erosion BMPs	Present	Other BMPs	Present
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Comments: Erosion BMPs: See "Comment #1" under "COGCC Comments" at end of this report.

Other BMPs:

Corrective Action: Comply with Rule 1002.f and implement perimeter stormwater and erosion control BMPs to manage runoff, and to allow for sediment laden-free discharge from the Location; ensure BMPs are installed accordance with good engineering practices, are adequate for the sites conditions, and are maintained in a proper functioning conditions. Ensure stockpiled topsoil is not incorporated with the BMPs, and remain protected.

Date: 09/10/202

1

Covering Materials

Yes`

Comments: Erosion BMPs: Materials on site observed with appropriate covering BMPs.

Other BMPs:

Corrective Action:

Date:

Material Handling And Spill Prevention

Yes`

Comments: Erosion BMPs: Though BMPs on the Location to properly handle materials, prevent and/or contain a spill where observed throughout the Locaiton and appear adequate, various material spills were observed on the south end of the Location.

Other BMPs:

Only one of the three porta-johns on the southwest end of the Location has been staked/secured; remaining two portajohns are missing BMPs to prevent or contain a spill.

Corrective Action: Clean spills and and implement/maintain BMPs per good engineering and spill prevention practices.

Date: 07/01/202

2

Comment:

**Corrective
Action:**

Date:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____

Address: _____

Phone Number: _____

Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____

Phone Number: _____

Date Onsite Request Received: _____

Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____

Phone Number: _____

Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

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 _____ Fail _____

Comment _____

[See "Comment #2".](#)

Corrective Action _____

1) Comply with Rules 1002.b.(2), 1002.c, and implement BMPs to stabilize/protect salvaged soils, and to ensure soil horizons remain properly segregated from separate soil horizons.

Date **09/10/2021**

2) Operator shall submit documentation (calculations, figures, etc..) showing the topsoil depths over the entire disturbance area prior to construction operations, methods used to determine topsoil depth, the actual depth Operator salvaged to, and justifications as to why Operator salvaged to that depth. Operator shall also include the total amount of topsoil (cubic yards) that was salvaged, and figures showing where the material is stored. Operator shall submit documentation to Reclamation Specialist attached to a Form 4 sundry.

1002c. PROTECTION OF SOILS _____ Fail _____

Comment _____

[Previous inspection observed that BMPs to protect, stabilize and prevent sediment transport at the stockpiled soils are missing or insufficient. It was observed that Operator has re-applied hydromulch to stabilize stockpiled soils. This portion of the corrective action has been addressed, however the topsoil stockpiles/berms remain largely in use as part of the Location's perimeter stormwater BMPs, and at risk of degradation and contamination due to runoff \(see comment #1\).](#)

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 Previous inspection observed that wells have not been drilled within 6 months of setting the conductors, and that Location/Wells are out of compliance with Rule 406.e, the Procedures for Preset Conductors NTO (dated 9/1/2016, revised 10/6/2016), and the Delayed Operations, Interim Reclamation Variance NTO (dated 1/5/2017).

Though Operator failed to comply with the NTO and Rule 406, it was observed in this inspection that drilling Operators have commenced.

If operations are not continuous and become "delayed", Operator shall comply with the Notice to Operators: Interim Reclamation Procedures for Delayed Operations

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 ☐Multi-Well Location ☐**COGCC Comments**

Comment	User	Date
<p>COMMENT #1</p> <p>Inspections #696203134 and #696203716 observed that stormwater and erosion control BMPs to properly manage stormwater runoff, and to allow for sediment laden-free discharge were missing or insufficient at the Location. It was also observed that Operator incorporated topsoil stockpiles as part of the three (3) sediment traps/ponds, as well as the perimeter stormwater ditch/berm. Operator was notified that use of topsoil as a stormwater BMP puts the resource at risk of compaction, contamination due to mixing with sediment/subsoil, and at risk for loss due to stormwater discharge displacing the topsoil. Inspections also observed that the perimeter stormwater ditch at the base of the berms leading to the traps/ponds have been constructed with vertical slopes, and the soils have not been consolidated, and the traps/ponds have not been constructed with an engineered outlet; this is not per good engineering practices. Inspection required Operator to comply with Rule 1002.f by 9/10/2021.</p> <p>It was observed in this inspection that the topsoil stockpiles along the perimeter of the Location remain improperly incorporated as part of the sediment traps/ponds, as well as part of the stormwater diversion ditch/berm along the perimeter (see "Comment #2" and 1002.c for comment regarding inadequate topsoil salvage and protections). Though Operator's attempts to address the compliance issues were observed, BMPs remain inadequate;</p> <p>-Hydromulch has been applied to the perimeter stormwater diversion ditch; per good engineering, this is not an appropriate control for use in areas for channelized or concentrated flows, such as stormwater ditches. Unable to find evidence of other work to address the vertical slopes within sections of the ditch, and the unconsolidated soils within the ditch.</p> <p>- In order to minimize sediment transport and contact with stormwater runoff to, Operator has placed straw wattles at the base of the stockpiles on the west end of the Location; BMP in conjunction with hydromulch appears adequate to minimize degradation and contact with runoff; however Operator only implemented control at the berms on the west end of the Location; remaining topsoil stockpiles in use as part of the Locations perimeter stormwater diversion ditch/berm remain at risk.</p> <p>-The three (3) sediment traps/pond have not been constructed per good engineering practices; traps/ponds remain improperly constructed with topsoil and are missing an engineered outlet to allow for proper stormwater discharge.</p> <p>Stormwater and erosion control BMPs to manage runoff in such a manner that is both protective of topsoil, and allows for sediment laden-free discharge from the Location remain missing or insufficient.</p>	trujilloam	06/27/2022

COMMENT #2

trujilloam

06/27/2022

Previous inspections observed that soil salvage of ALL the topsoil on the Location does not appear to have been conducted; soils observed beneath fill material containing organic matter typical of topsoil horizons. Topsoil berms have been implemented as part of the Location's perimeter stormwater BMPs; BMPs to ensure soils remain segregated, protected from mixing/contamination with subsoils, as well as stormwater runoff, are missing or insufficient/inadequate. Inspection #696203136 also observed that, during construction of the access road that travels north from the BJU B26-496 Pad to the BJU N26-496 location, Operator failed to properly salvage, segregate and protect topsoil from the areas beneath the access road disturbance.

Inspections required Operator to implement BMPs to stabilize/protect salvaged soils, and to ensure soil horizons remain properly segregated. Inspection also required Operator to submit documentation showing topsoil depths over the entire disturbance area, and actual amount salvaged.

It was also observed in this inspection that Operator re-applied hydromulch to stabilize stockpiled soils, however the topsoil stockpiles/berms remain largely in use as part of the Location's perimeter stormwater BMPs, and at risk of degradation due to runoff (see comment #1).

It is also noted that Operator has failed to submit documentation showing topsoil depths over the entire disturbance area.

This corrective action has not been addressed in its entirety, and remains applicable.

Attached Documents

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

Document Num	Description	URL
403091058	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5790379
696203790	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5790378