

**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:

07/27/2022

Submitted Date:

07/29/2022

Document Number:

696203896**FIELD INSPECTION FORM**Loc ID 467272 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:

15 Number of Comments

8 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
Arthur, Denise		denise.arthur@state.co.us	
,		COGCC.inspections@caerus oilandgas.com	All Inspections
Arauza, 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
467517	WELL	PA	02/12/2021		103-12386	ELU J14 FED 11B-14-496	RI

General Comment:

On 7/28/2022, Reclamation Specialist Trujillo inspected Caerus Piceance LLC's ELU A24-496 Pad location in Garfield County, Colorado.

This inspection is a followup to #696203714 and #696203781 to document compliance with the following corrective actions:

- Protection of Soils
- Signage
- Stormwater
- Good Housekeeping
- Spills / Spill reporting
- Plugging and abandonment

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

Refer to the "Location", "Stormwater" 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	WELLHEAD		
Comment:	<p>Previous inspection observed signage missing from wells on the Location. Inspection required Operator to comply with Rule 605.d</p> <p>It was observed in this inspection that signage remains missing from the wells. CA has not been addressed.</p>		
Corrective Action:	Install sign to comply with Rule 605.d.	Date:	07/24/2022
Type	BATTERY		
Comment:	<p>Previous inspection observed signage/labeling missing at the tank battery facility, and the 3 tanks. It was unknown at time of inspection when tanks were installed; inspection notified Operator to ensure signage/labeling was installed within 60 days after installation of battery.</p> <p>It was observed in this inspection that signage and labeling have not been installed at tanks and facility; additional review of previous inspections shows that the tanks and facility have existed on the Location greater than 60 days.</p> <p>Operator has failed to implement signage and labeling at the facility and tanks.</p>		
Corrective Action:	Comply with 605.e	Date:	07/27/2022
Type	TANK LABELS/PLACARDS		
Comment:	<p>Previous inspection observed signage/labeling missing at the tank battery facility, and the 3 tanks. It was unknown at time of inspection when tanks were installed; inspection notified Operator to ensure signage/labeling was installed within 60 days after installation of battery.</p> <p>It was observed in this inspection that signage and labeling have not been installed at tanks and facility; additional review of previous inspections shows that the tanks and facility have existed on the Location greater than 60 days.</p> <p>Operator has failed to implement signage and labeling at the facility and tanks.</p>		
Corrective Action:	Comply with 605.h	Date:	07/27/2022

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

Type	DEBRIS		
Comment:	<p>Inspection #696203714 and #696203781 observed weed debris accumulation along the perimeter of the Location. Inspections required Operator to comply with Rule 606 and remove debris from the Location and properly dispose.</p> <p>It was observed in this inspection that the weed debris along the perimeter of the Location has not been removed.</p> <p>This CA has not been addressed and remains applicable.</p>		
Corrective Action:	Comply with Rule 606	Date:	05/25/2022
Type	WEEDS		

Comment:	<p>Inspection #696203714 and #696203781 observed Undesirable Plant establishment on the Location. Inspection required Operator to 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.</p> <p>It was observed in this inspection that weed management efforts appear to have been conducted- weeds appear to have been sprayed, and show signs of dying back.</p> <p>Continue to maintain BMPs to prevent further weed establishment on Location and stockpiled soils.</p>		
Corrective Action:		Date:	

Overall Good: ☐

Spills:			
Type	Area	Volume	
Other			
Comment:	<p>Inspection #696203714 observed impacted materials due to drill cuttings spilled outside of containment, and that Operator failed to properly clean the spill.</p> <p>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.</p> <p>No Form 4 Sundry with the required analytical summary has been submitted per the corrective action; corrective action remains applicable.</p>		
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:	<p>Inspection #696203714 observed impacted materials due to drill cuttings spilled outside of containment.</p> <p>Inspection #696203781 required Operator to document cleanup efforts and provide documentation of the cleanup attached to a Form 4.</p> <p>No Form 4 Sundry with documentation of cleanup has been submitted per the corrective action; corrective action remains applicable.</p>		
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:

☐ Multiple Spills and Releases?**Venting:**

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities									
Facility ID:	467272	Type:	LOCATION	API Number: -	Status:	AC	Insp. Status:	RI	
Facility ID:	467517	Type:	WELL	API Number:	103-12386	Status:	PA	Insp. Status:	RI

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 Fail

Comment

Inspection #696203714 and #696203781 observed that Operator has salvaged and placed topsoil along the perimeter of the Location, and utilized at the base of the fill slopes/subsoils of the Location as a berm and sediment trap/pond to manage stormwater (See "Stormwater"). Inspection required Operator to comply with Rule 1002.b and 1002.c.

It was observed in this inspection that BMPs to ensure topsoil remains properly segregated, and protected from mixing/contamination with subsoils, and from displacement due to stormwater discharge, remains missing or insufficient; utilization of topsoil as stormwater control measures does not comport with Rule 1002.b and 1002.c.

Corrective actions have not been addressed and remain applicable.

Corrective Action

Comply with Rule 1002.b and 1002.c

Date **06/18/2022**1002c. PROTECTION OF SOILS Fail

Comment

See "Soil removal and Segregation", and "Stormwater".

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 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: Refer to Inspection #696203779 for corrective action regarding compliance with Rule 1004.a, for the ELU J14 FED #21C-14-496; this corrective action remains applicable.

Corrective Action: <input style="width: 600px;" type="text"/>						Date <input style="width: 100px;" type="text"/>	
Overall Final Reclamation <input type="checkbox"/>			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	
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	
Comment: <input style="width: 500px;" type="text" value="See 'COGCC Comments'"/>						Date: <input style="width: 100px;" type="text" value="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							

<u>COGCC Comments</u>		
Comment	User	Date
<p>STORMWATER COMMENT</p> <p>Inspection #696203714 and #696203781 observed that control measures to minimize erosion/degradation at the slopes and soil stockpiles 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; topsoil is at risk of degradation/contamination, and loss/displacement due to stormwater discharge; use of topsoil as stormwater control measures does not comport with Rule 1002.b and 1002.c..</p> <p>It was observed in this inspection that control measures to minimize erosion and degradation on the slopes and soil stockpiles of the Location remain missing or insufficient; topsoil stockpiles along perimeter remain bare and at risk to wind and water erosion; topsoil remains in use as a berm and sediment trap/pond to manage stormwater.</p> <p>Corrective actions have not been addressed and remain applicable.</p>	trujilloam	07/29/2022

Attached Documents

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

Document Num	Description	URL
696203897	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5816799