

**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:

12/19/2022

Submitted Date:

12/23/2022

Document Number:

696204536**FIELD INSPECTION FORM**Loc ID 334365 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:**19 Number of Comments6 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 |
|-------------|----------|--------|-------------|------------|---------|---------------------------------------|-------------|
| 334365 | LOCATION | AC | | | - | PARACHUTE RANCH FED.-67S96W 35NWNE | RI |

General Comment:

On 12/19/2022, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Caerus Piceance's PARACHUTE RANCH FED.-67S96W/35NWNE location in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

- Labels/signage
- Wildlife Protection BMPs
- Storage of unused equipment

Refer to the "Location" 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: | Signage or labeling not posted at the southernmost tank of the western battery facility. | | |
| Corrective Action: | Install sign to comply with Rule 605.h. | | Date: 01/23/2023 |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Signage or labeling not posted at the tank adjacent to "Skim Tank #1", at the northeastern battery facility. | | |
| Corrective Action: | Install sign to comply with Rule 605.h. | | Date: 01/23/2023 |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Tank observed next to the H2O Injection Pump Building missing signage/labeling. | | |
| Corrective Action: | Install sign to comply with 605 Rules | | Date: 01/23/2023 |

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|--|------------------|
| Type | STORAGE OF SUPL | | |
| Comment: | Various unused fencing equipment (t-post, panels) observed stored on the northeast end of the Location. | | |
| Corrective Action: | Comply with Rule 606. | | Date: 12/30/2022 |

Overall Good: ☐

| | | | |
|----------------|------|--------|--|
| Spills: | | | |
| Type | Area | Volume | |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

| | | | |
|--------------------|-----------|--|-------|
| Fencing/: | | | |
| Type | SEPARATOR | | |
| Comment: | Panels | | |
| Corrective Action: | | | Date: |
| Type | WELLHEAD | | |
| Comment: | Panels | | |
| Corrective Action: | | | Date: |

| | | | |
|--------------------|---|--|------------------|
| Equipment: | | | corrective date |
| Type: Other | # | | |
| Comment: | Wildlife protection devices to prevent wildlife access to the secondary containment of the Methanol tank (located adjacent to Slop tank #1) is missing or insufficient. | | |
| Corrective Action: | Install or repair wildlife protection equipment. | | Date: 01/23/2023 |
| Type: Other | # | | |

| | | | | |
|--------------------|--|---|-------|------------|
| Comment: | Signage indicates presense of H2S on Location. | | | |
| | It was observed in this inspection that only one of the wind direction indicators is in a proper functioning condition. | | | |
| | Advise maintenance to ensure remaining indicators are in proper working order. | | | |
| Corrective Action: | | | Date: | |
| Type: Other | | # | | |
| Comment: | Wildlife protection devices to prevent wildlife access is missing or insufficient at the secondary containment for the tank next to the H2O Injenction Pump Building is missing or insufficient. | | | |
| Corrective Action: | Install or repair wildlife protection equipment. | | Date: | 01/23/2023 |

Tanks and Berms:

| | | | | | |
|--------------------|----------------|----------|-----------|---------|-----------------------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| CONDENSATE | 1 | 400 BBLs | STEEL AST | | 39.398297,-108.073145 |
| Comment: | "Slop Tank #1" | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|--|
| Condition | |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| | | | | |
|--------------------|----------|---------------------|---------------------|-------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Metal | Adequate | Walls Sufficent | Base Sufficent | Adequate |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

| | | | | | |
|--------------------|---|----------|-----------|---------|-----------------------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| CONDENSATE | 5 | 300 BBLs | STEEL AST | | 39.398586,-108.072114 |
| Comment: | Southeastern tank battery: Five 300 bbl Sour Condensate | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|--|
| Condition | |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| | | | | |
|--------------------|----------|---------------------|---------------------|-------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Metal | Adequate | Walls Sufficent | Base Sufficent | Adequate |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

| | | | | | |
|------------|---|----------|-----------|---------|-----------------------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| CONDENSATE | 5 | | STEEL AST | | 39.398256,-108.073273 |

| | | |
|--------------------|---|-------|
| Comment: | Western Battery- 5 tanks: Two 400 bbl sour condensate, Two 625 bbl sour condensate, One tank unlabeled- appears to be a 400 bbl tank. | |
| Corrective Action: | | Date: |

Paint

| | |
|------------------|--|
| Condition | |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| | | | | |
|--------------------|----------|---------------------|---------------------|-------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Metal | Adequate | Walls Sufficent | Base Sufficent | Adequate |
| Comment: | | | | |
| Corrective Action: | Date: | | | |

| | | | | | |
|------------|---|----------|-----------|---------|-----------------------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| CONDENSATE | 7 | | STEEL AST | | 39.398858,-108.072343 |

| | | |
|--------------------|--|-------|
| Comment: | Northeastern Tank Battery: Six 400 bbl Sour Condensate, One 600 bbl Sour Condensate. One tank unlabeled- appears to be a 600 bbl tank. | |
| Corrective Action: | | Date: |

Paint

| | |
|------------------|--|
| Condition | |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| | | | | |
|--------------------|----------|---------------------|---------------------|-------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Metal | Adequate | Walls Sufficent | Base Sufficent | Adequate |
| Comment: | | | | |
| Corrective Action: | Date: | | | |

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: _____

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Limited visibility due to snow cover, however soil stockpiles observed along southern end of the Location appear to have been constructed with steep slopes, and appear to be predominantly bare soils. A followup inspection will be conducted once snow cover has done to determine compliance with 1002.c.

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 Anchors not observed.

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 All areas disturbed during construction appear to be in use for production operations.

Corrective Action Date _____

Overall Interim Reclamation

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: Limited visibility due to snow cover- unclear at time of inspection if BMPs have been implemented/maintained at the slopes/stockpiles on the Location. A followup inspection will be conducted to determine compliance with 1002.f rules.

Corrective Action: Date: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 696204537 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5958063 |