

FORM
INSPRev
X/20State of Colorado
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

03/06/2023

Submitted Date:

03/08/2023

Document Number:

696204752

FIELD INSPECTION FORM

 Loc ID 335780 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:

- 9 Number of Comments
3 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 |
|-------------|-----------------|--------|-------------|------------|-----------|--------------------------|-------------|
| 270319 | WELL | PR | 03/01/2019 | GW | 045-09528 | CHEVRON 24D-17D | RI |
| 270320 | WELL | PR | 03/01/2019 | GW | 045-09529 | CHEVRON 24B-17D | RI |
| 274732 | WELL | PR | 03/01/2019 | GW | 045-13380 | CHEVRON 13D-17D | RI |
| 274913 | WELL | PR | 03/01/2019 | GW | 045-13429 | CHEVRON 14A-17D | RI |
| 274915 | WELL | PR | 03/01/2019 | GW | 045-13430 | CHEVRON 14D-17D | RI |
| 335780 | LOCATION | AC | | | - | CHEVRON-66S96W 17SESW | RI |
| 427697 | TANK BATTERY | AC | 04/14/2009 | | - | CHEVRON-66S96W 17SESW | RI |

General Comment:

On 3/06/2023, Reclamation Specialist Trujillo inspected Caerus Piceance's CHEVRON-66S96W 17SESW Location in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

- Stormwater
- Secondary containment liner integrity.
- Signage

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.

Location

Overall Good:

| Signs/Marker: | | | |
|----------------------|-------------------------------------------------------------------------------------------------------------------------------------|-------|------------|
| Type | WELLHEAD | | |
| Comment: | Sign not posted or information inaccurate at the 24B-17D well. Signs at remaining wells becoming illegible- maintenance advised. | | |
| Corrective Action: | Install sign to comply with Rule 605.d. | Date: | 04/08/2023 |
| Type | OTHER | | |
| Comment: | Location entrance | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

| | | | |
|----------------------------------|----------------------|--|----------------------------|
| Emergency Contact Number: | | | |
| Comment: | <input type="text"/> | | |
| Corrective Action: | <input type="text"/> | | Date: <input type="text"/> |

Overall Good:

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

In Containment: No

Comment:

Multiple Spills and Releases?

| Fencing/: | | | |
|--------------------|-----------------------|-------|--|
| Type | SEPARATOR | | |
| Comment: | Barbed wire | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Metal pipe | | |
| Corrective Action: | | Date: | |
| Type | TANK BATTERY | | |
| Comment: | Barbed wire/panelling | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|------------|----------------------|----------|-----------|---------|--------|
| CONDENSATE | 1 | 300 BBLS | STEEL AST | | , |
| Comment: | <input type="text"/> | | | | |

| | |
|--------------------|-------|
| Corrective Action: | Date: |
|--------------------|-------|

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|-------------|------------|
| Metal | | Walls Insufficient | Base Insufficient | Inadequate | |
| Comment: | Secondary containment is not sufficiently impervious to contain spilled or released materials; various holes/tears observed throughout liner. | | | | |
| Corrective Action: | Maintain BMP to ensure containment is sufficiently impervious to contain spill or release | | | Date: | 04/08/2023 |

Venting:

| | | | |
|--------------------|--|--|-------|
| Yes/No | | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

Flaring:

| | | | |
|--------------------|--|--|-------|
| Type | | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

Inspected Facilities

Facility ID: 270319 Type: WELL API Number: 045-09528 Status: PR Insp. Status: RI

Facility ID: 270320 Type: WELL API Number: 045-09529 Status: PR Insp. Status: RI

Facility ID: 274732 Type: WELL API Number: 045-13380 Status: PR Insp. Status: RI

Facility ID: 274913 Type: WELL API Number: 045-13429 Status: PR Insp. Status: RI

Facility ID: 274915 Type: WELL API Number: 045-13430 Status: PR Insp. Status: RI

Facility ID: 335780 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Facility ID: 427697 Type: TANK API Number: - Status: AC Insp. Status: RI

Reclamation - Storm Water - Pit

Storm Water:

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

Comment: It was observed in this inspection that BMPs to stabilize, as well as to tracking, degradation and sediment transport at the access road and Location entrance are missing or insufficient; tracking/degradation observed.

Corrective Action: Install or repair required BMPs per Rule 1002.f.

Date: 03/11/2023

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 |
|--------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 403341086 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6044603 |
| 696204753 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6044565 |