

**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:

04/18/2023

Submitted Date:

04/19/2023

Document Number:

698100287

FIELD INSPECTION FORMLoc ID 335359 Inspector Name: Arauza, Steven 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:

14 Number of Comments

10 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
Pesicka, Conor		conor.pesicka@state.co.us	
Middleton, Brett		bmiddleton@caerusoilandgas.com	Sr. Environmental Specialist
Fischer, Alex		alex.fischer@state.co.us	
,		dnr_cogccenforcement@state.co.us	
O'Malley, Anna		anna.omalley@state.co.us	
,		COGCC.inspections@caerusoilandgas.com	All Inspections
Katz, Aaron		aaron.katz@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
257648	WELL	PR	05/01/2022	GW	045-07583	KELL 35-3	EI
257660	WELL	PR	10/13/2004	GW	045-07585	BENZEL 35-7 (C35)	EI
257665	WELL	PR	10/13/2004	GW	045-07589	KELL 35-6 (C35)	EI
273777	WELL	PR	03/05/2005	GW	045-10283	CRAIG 35-6A (C35)	EI
273779	WELL	PR	03/04/2005	GW	045-10284	CRAIG 35-5A (C35)	EI
274937	WELL	PR	03/22/2005	GW	045-13440	GMU 35-4A1(C35)	EI

General Comment:

COGCC Environmental inspection. Weather conditions during inspection were cloudy skies with a temperature of 46 degrees Fahrenheit. Follow-up to 2/1/2023 COGCC Reclamation Unit Inspection, doc #702801210.

Two dead horses were observed on site during the inspection: a white horse in the reclaimed area at the northwest corner of the pad and a brown horse on the west side of the pad, south of the tank battery. See photos. COGCC EPS S. Arauza contacted the Operator on the inspection date to notify them of the dead livestock on location.

Any corrective action(s) from previous inspections that have not been addressed are still applicable

Refer to COGCC Reclamation Inspection doc #702801210 for corrective actions related to stabilization of the cut slope.

LocationOverall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

Type	WEEDS		
Comment:	Weeds and uncontrolled vegetation observed throughout pad. Notably in separator and wellhead areas. See photos.		
Corrective Action:	Comply with Rule 606	Date:	05/03/2023
Type	DEBRIS		
Comment:	Trash, debris, and unused equipment observed throughout the pad. See photos.		
Corrective Action:	Comply with Rule 606	Date:	05/03/2023
Type	OTHER		
Comment:	Two dead horses observed on pad.		
Corrective Action:	Comply with Rule 606.	Date:	05/19/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
Lube Oil	WELLHEAD	<= 1 bbl		
Comment:	Localized accumulations of oily waste observed at wellheads for C35 Kell 35-3 and C35 Craig 35-6A. See photos.			
Corrective Action:	Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Remove and properly dispose of oily waste.			Date: 05/19/2023

In Containment: No

Comment:

☒ Multiple Spills and Releases?**Equipment:**

Type: Other	# 3		corrective date
Comment:	Multiple wellheads (GMU 35-4A1, Craig 35-6A, and Craig 35-5A) have associated flowline risers configured with an uncapped 1/4" process pipe. See photos.		
Corrective Action:	Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Submit description of the purpose of the process pipe on an FIRR.		
Date:	05/19/2023		
Type: Horizontal Separator	# 4		
Comment:	Staining/discoloration observed at hammer union on south side of Kell 35-3 separator and gravel. See photos.		
Corrective Action:	Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Remove and properly dispose of impacted waste.		
Date:	05/19/2023		
Type: Vertical Separator	# 3		
Comment:	Fluid staining observed on west side of vertical separator for Craig 35-5A C35 well.		
Corrective Action:	Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e.		
Date:	05/19/2023		

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS	
OTHER	2	OTHER	STEEL AST		,	
Comment:	Localized accumulations of oily waste observed at manhole covers and bull plugs attached to both 300 bbl and 500 bbl ASTs. See photos.					
Corrective Action:	Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Remove and properly dispose of oily waste.					Date: 05/19/2023

Paint

Condition		
Other (Content)	PW and CN	
Other (Capacity)	300 bbls and 500 bbls	
Other (Type)		

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate				
Comment:	No tears or holes were observed in visible portion of tank battery secondary containment device on inspection date. South half of tank battery secondary containment area contained hydrocarbon-impacted fluids during inspection. See photos.				
Corrective Action:	Remove and properly dispose of impacted fluids and oily waste. Comply with Rule 912.a.(2) and submit documentation of cleanup efforts on an FIRR per Rule 912.a.(5).				Date: 05/19/2023

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities									
Facility ID:	<u>257648</u>	Type:	<u>WELL</u>	API Number:	<u>045-07583</u>	Status:	<u>PR</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>257660</u>	Type:	<u>WELL</u>	API Number:	<u>045-07585</u>	Status:	<u>PR</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>257665</u>	Type:	<u>WELL</u>	API Number:	<u>045-07589</u>	Status:	<u>PR</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>273777</u>	Type:	<u>WELL</u>	API Number:	<u>045-10283</u>	Status:	<u>PR</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>273779</u>	Type:	<u>WELL</u>	API Number:	<u>045-10284</u>	Status:	<u>PR</u>	Insp. Status:	<u>EI</u>
Facility ID:	<u>274937</u>	Type:	<u>WELL</u>	API Number:	<u>045-13440</u>	Status:	<u>PR</u>	Insp. Status:	<u>EI</u>

Environmental	
Spill/Remediation:	
Comment:	Operator has an approved Remediation Project (#28552) to document removal of flow line risers as required by a corrective action (CA) identified in COGCC inspection form #702801210. Risers appear to have been removed prior to inspection date.
Corrective Action:	<div></div> <div>Date: <div></div></div>
Emission Control Burner (ECB): <div></div>	
Comment:	<div></div>
Pilot: <div></div>	Wildlife Protection Devices (fired vessels): <div></div>

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 the Location shows signs of lack of stabilization BMPs in some areas, as is evidenced by the presence of ruts. Tracking control BMPs to minimize/mitigate tracking and offsite sediment transport are missing or insufficient. See photos

See COGCC Reclamation Unit Field Inspection Report doc #702801210 for STORMWATER COMMENTS.

Corrective Action: Install or repair required BMPs per Rule 1002.f. Continue to monitor and manage stormwater on the Location. Ongoing stormwater management is required until the site receives a passing final inspection.

Date: 02/04/2023

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
698100288	20230418 field photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6087182