

**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:

05/23/2023

Submitted Date:

05/24/2023

Document Number:

696204973

FIELD INSPECTION FORMLoc ID 312380 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:

4 Number of Comments

1 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 |
|-------------|----------|--------|-------------|------------|-----------|------------------------------|-------------|
| 221420 | WELL | PA | 02/28/2008 | GW | 077-08020 | MILHOLLAND 3 | RI |
| 312380 | LOCATION | CL | | | - | MILHOLLAND-610S96W 24SENW | RI |

General Comment:

On 5/23/2023, Reclamation Specialist Trujillo conducted a final reclamation inspection at Caerus Piceance LLC's Milholland #3 location in Mesa County, Colorado.

This is also a follow-up inspection to #696203922 to document compliance for the following corrective actions:
-Final Reclamation

It was observed that this Location remains out of compliance with COGCC Rule and Corrective actions.

The following new compliance issues were observed during this inspection:
-Undesirable Plant Species

Refer to the "Reclamation" section 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.

| Inspected Facilities | | | | |
|----------------------|----------------|-----------------------|------------|------------------|
| Facility ID: 221420 | Type: WELL | API Number: 077-08020 | Status: PA | Insp. Status: RI |
| | | | | |
| Facility ID: 312380 | Type: LOCATION | API Number: - | Status: CL | Insp. Status: RI |
| | | | | |

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 _____

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 _____

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 **Fail** Contoured **Fail** Culverts removed **Fail**

Gravel removed **Fail**

Location and associated production facilities reclaimed **Fail** Locations, facilities, roads, recontoured **Fail**

Compaction alleviation **Fail** Dust and erosion control _____

Non cropland: Revegetated 80% **Fail** Cropland: perennial forage _____

Weeds present **Fail** Subsidence _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment: [See "COGCC Comments".](#)

Corrective Action: **Comply with 1004 Rules.** Date **10/01/2022**

Overall Final Reclamation **Fail** Well Release on Active Location ☐ Multi-Well Location ☐

COGCC Comments

| Comment | User | Date |
|--|------------|------------|
| <p>RECLAMATION COMMENT</p> <p>Inspection #696203922 observed that final reclamation has not been performed on this Location. Inspection required Operator to comply with 1004 Rules by 10/1/2022.</p> <p>It was observed in this inspection that corrective actions to comply with 1004 rules have not been taken by the Operator: Gravel has not been removed from Location and access road; Location and access road have not been decompacted, recontoured/regraded and revegetated.</p> <p>It was also observed that weed management activities to keep the Location free of all Undesirable Plant Species has not been performed, or is inadequate: Undesirable Plant Species (Russian thistle, Kochia, Purple mustard, Cheatgrass, Redstem Filaree, Field penny-cress, Bulbous Bluegrass) continues to establish/spread throughout the Location. Ongoing weed management required until Location receives a passing Final Reclamation inspection.</p> <p>Surface Owner appears to be utilizing Location for storage; No Surface Owner Variance Request pursuant to Rule 1001.c has been submitted/approved. Location will remain out of compliance until reclamation has been performed in accordance with 1004 Rules, or a variance to waive reclamation requirements has been approved.</p> | trujilloam | 05/24/2023 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 696204974 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6124532 |