

**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:

696204985

FIELD INSPECTION FORMLoc ID 312399 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

2 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 |
|-------------|----------|--------|-------------|------------|-----------|------------------------------|-------------|
| 221497 | WELL | PA | 07/16/2009 | DA | 077-08098 | MILHOLLAND 25-1 | RI |
| 312399 | LOCATION | CL | | | - | MILHOLLAND-610S96W 25SWSE | RI |

General Comment:

On 5/23/2023, Reclamation Specialist Trujillo conducted a final reclamation inspection at Caerus Piceance LLC's Milholland 25-1 location in Mesa County, Colorado.

The following compliance issues were observed during this inspection:

- Final Reclamation
- Stormwater

Refer to the "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.

| Inspected Facilities | | | | | | | | | |
|----------------------|--------|-------|----------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 221497 | Type: | WELL | API Number: | 077-08098 | Status: | PA | Insp. Status: | RI |
| | | | | | | | | | |
| Facility ID: | 312399 | 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 SEGREGATION _____

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 _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

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

Non cropland: Revegetated 80% **Fail** _____ 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: _____

Location received a 502.b SOVR on 9/9/2020 (#401598627) to waive select requirements of rule 1004.a & 1004.d regarding Location and access road. Pursuant to Conditions of Approval #1 attached to the variance, Operator is required to stabilize, and establish 80% vegetation cover of reference areas at the cut slope.

It was observed in this inspection that vegetation on the cut slope is not progressing towards a uniform vegetative cover; slopes lack stabilization and are predominantly bare and exposed soils. Erosion degradation observed. Additional reclamation required at cut slopes of the Location.

Corrective Action: **Comply with Form 4 #401598627 Conditions and conduct additional reclamation at the cut slopes.**

Date **07/24/2023**

Overall Final Reclamation **Fail**

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: Location received a 502.b SOVR on 9/9/2020 (#401598627) to waive select requirements of rule 1004.a & 1004.d regarding Location and access road. Pursuant to Conditions of Approval #4 attached to the variance, Operator is required to continue to monitor and manage the site for erosion until final reclamation is passed.

It was observed in this inspection that the Location is out of compliance with COGCC Stormwater, and Form 4 requirements; slopes lack stabilization and are predominantly bare and exposed soils; Erosion degradation observed.

Corrective Action: **Comply with Rule 1002.f and Form 4 Condition requirements: Install or repair required stormwater and erosion control BMP to stabilize the cut slopes, and to manage runoff in such a manner that minimizes erosion, degradation and sediment transport. Ensure BMPs are installed in accordance with good engineering requirements, and maintained in proper functioning condition.**

Date: **05/27/2023**

Temporary stormwater controls are required until additional reclamation efforts at the cut slopes have been completed, at which point additional BMPs are required to manage runoff, and to stabilize the slopes, and the seeded soils, until long-term stabilization has been achieved. Continue to monitor and manage Location for stormwater until final reclamation has passed.

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 |
|--------------|----------------------|---|
| 403412165 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6124559 |
| 696204986 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6124538 |