

**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:

06/28/2023

Submitted Date:

07/05/2023

Document Number:

696205077

FIELD INSPECTION FORMLoc ID 479215 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:**

16 Number of Comments

4 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
479215	LOCATION	AC	01/14/2021		-	ELU G13-496 Central Delivery Point Production Pad	CI

General Comment:

On 6/28/2023, Reclamation Specialist Trujillo inspected Caerus Piceance LLC's ELU G13-496 Central Delivery Point/Production Pad location in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

- Location Assessment requirements
- Location signage
- Protection of soils
- Stormwater

Refer to the "Construction", "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: ☐

Emergency Contact Number:

Comment: Pursuant to Rule 605.a, Location signage is required at the Location entrance from time of construction until Reclamation is complete.

It was observed in this inspection that required Location signage has not been posted at either the northern, or southern Location entrances; No signage has been posted on the Location, including signage with Operator's emergency contact number.

Corrective Action: Comply with Rule 605.a and install required signage at the Location entrance(s). 10/27/2022 is being provided as the Corrective Action date, as Form 42 #403206939 states 10/27/2022 is the start date of construction for the Location.

Date: 10/27/2022

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Fencing/:**

Type			
Comment:	Fencing not observed		
Corrective Action:		Date:	

Equipment:

Type:	#		corrective date
Comment:	No equipment installed at time of inspection. Installation of pipeline infrastructure appears to be in process.		
Corrective Action:		Date:	

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Location ConstructionLocation ID: 479215 CDP:

Comment: Pursuant to Rule 406.c, A copy of the approved Form 2A, and any Form 4 modifying the approved Form 2A, will be posted in a protected and conspicuous place on location upon commencement of operations with heavy equipment until the conclusion of interim Reclamation. The Form 2A, and any Form 4 modifying the approved Form 2A not observed posted on the Location.

Corrective Action: Comply with Rule 406.c. 10/27/2022 is being provided as the Corrective Action date, as Form 42 #403206939 states 10/27/2022 is the start date of construction for the Location.

Date: 10/27/2022

Form 2A COAs:

Comment: Pursuant to Form 2A 402505441, permitted Location disturbance is 10.2 acres. A follow-up inspection will be conducted to determine compliance with Form 2A disturbance requirements.

Corrective Action:

Date:

Wildlife BMPs:**Comment:**

Corrective Action:

Date:

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
		Material Handling And Spill Prevention	Yes

Comments: Erosion BMPs: Two (2) porta-johns. Staked down/secured to prevent spill.

Other BMPs:

Corrective Action:

Date:

DITCHES	Yes		
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Comments: Erosion BMPs: Stormwater diversion ditch; southern/western and northern perimeter/fill slopes.

Other BMPs:

Corrective Action:

Date:

		Vehicle Tracking	No
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Comments: Erosion BMPs: Tracking controls, such as a tracking pad at the location entrance(s), to minimize off-site sediment transport not observed on Location.

Though tracking issues were not observed during inspection, it is unclear if BMPs to minimize tracking are adequate on Location during wet conditions. A followup inspection will be conducted to determine compliance with 1002.f requirements.

Other BMPs:

Corrective Action:

Date:

RETENTION PONDS	Yes		
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Comments: Erosion BMPs: Retention ponds constructed on the west and north ends of the Location. BMPs have been installed in a manner that does not permit stormwater discharge. Unclear if BMPs are adequate for the size of the Location to manage runoff.

A followup inspection will be conducted to verify if BMPs are adequate.

Other BMPs:

Corrective Action:

Date:

	Yes		
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Comments: Erosion BMPs: Hydro-mulch evident on soil stockpiles. See "Protection of Soils".

Other BMPs:

Corrective Action:

Date:

WADDLES

Yes

Comments: Erosion BMPs:

Perimeter control- Operator is utilizing erosion logs in conjunction with stormwater diversion ditches to divert runoff to multiple retention ponds.

It was observed in this inspection that the majority of logs implemented have not been installed in accordance with good engineering requirements (trenched/backfilled) or maintained in a proper functioning condition.

Other BMPs:

Erosion logs throughout location not trenched/backfilled. Sections also observed to be flattened/compressed, covered in sediment, or in general disrepair.

Corrective Action: Comply with Rule 1002.f and install or maintain required BMPs in accordance with good engineering practices. The "Date of Discovery" is being provided as the corrective action date. Location will remain out of compliance until corrective action has been resolved.

Date: 06/28/202
3Comment:Corrective
Action:Date:**On Site Inspection (305):**Surface Owner Contact Information:

Name: _____

Address: _____

Phone Number: _____

Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____

Phone Number: _____

Date Onsite Request Received: _____

Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____

Phone Number: _____

Agreed to Attend: _____

Summary of Landowner Issues:Summary of Operator Response to Landowner Issues:Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____ Fail _____

Comment _____

Topsoil appears to have been mixed with subsoils- subsoils apparent within section of the topsoil berm on the west end of the Location, and on the south end of the Location. Topsoil also observed eroding back into the excavation on the south side of the Location and BMPs to stabilize soils and maintain segregation are inadequate (see 1002.c below).

This does not comport with 1002.b segregation requirements.

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ Fail _____

Comment _____

See "COGCC Comments" at the end of this report.

Corrective Action _____

Comply with Rule 1002.c and 1002.f. The "Date of Discovery" is being provided as the corrective action date. Location will remain out of compliance until corrective action has been resolved.

Date **06/28/2023**

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: RANGELAND _____

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 ☐

COGCC Comments

Comment	User	Date
<p>PROTECTION OF SOILS</p> <p>It was observed in this inspection that topsoil, and soil stockpile protections are inadequate on the Location.</p> <p>-BMPs to stabilize, as well as to minimize erosion, degradation and sediment transport completely missing from the topsoil stockpiles on the east end of the Location, parallel to the access road.</p> <p>-Topsoil stockpiles on the north and west end of the Location have been constructed with steep slopes and have not been stabilized; sections of the slopes were observed to be vertical. This is not proper topsoil storage and protection. Erosion/degradation and offsite sediment transport apparent.</p> <p>-Hydromulch appears to have been previously applied to stockpiles on Location, however BMP has degraded throughout the majority of the Location; BMP is no longer in proper functioning condition, and appears to be inadequate to stabilize the steep/vertical slopes of the soil stockpiles.</p> <p>-Erosion logs have been implemented at the base of the stockpiles; Erosion logs throughout location not trenched/backfilled; sections also observed to be flattened/compressed, covered in sediment, or in general disrepair.</p> <p>-BMPs to minimize erosion, and mixing with subsoils were observed to be missing, or insufficient at the excavated pipeline on the south end of the Location.</p> <p>-"Fine" soils appear to be blowing onto the soil stockpile at the Location entrance on the north end of the Location.</p>	trujilloam	07/05/2023

Attached Documents

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

Document Num	Description	URL
696205078	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6170229