

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:

07/31/2023

Submitted Date:

08/01/2023

Document Number:

696205120

FIELD INSPECTION FORM

 Loc ID 311615 Inspector Name: Trujillo, Aaron On-Site Inspection 2A Doc Num:
Status Summary:

- THIS IS A FOLLOW UP INSPECTION
 FOLLOW UP INSPECTION REQUIRED
 NO FOLLOW UP INSPECTION REQUIRED

Operator Information:
 OGCC Operator Number: 10456
 Name of Operator: CAERUS PICEANCE LLC
 Address: 1001 17TH STREET #1600
 City: DENVER State: CO Zip: 80202
Findings:

- 9 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 |
| Arauza, Steven | | steven.arauza@state.co.us | |
| Smelser, Wayne | | wayne.smelser@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|----------------------|-------------|
| 269700 | WELL | PR | 11/01/2020 | GW | 045-09399 | SHIDELER 19-6D(F19) | RI |
| 270078 | WELL | PR | 09/11/2004 | GW | 045-09451 | HMU 19-2B (F19) | RI |
| 270079 | WELL | PR | 03/15/2004 | GW | 045-09452 | SHIDELER 19-7B (F19) | RI |
| 270291 | WELL | SI | 11/01/2022 | GW | 045-09519 | SHIDELER 19-6B (F19) | RI |
| 270713 | WELL | PR | 09/16/2004 | GW | 045-09789 | HMU 19-4D (F19) | RI |
| 270714 | WELL | PR | 09/15/2004 | GW | 045-09788 | HMU 19-3B (F19) | RI |
| 311615 | LOCATION | AC | | | - | HMU-67S92W 19SWNE | RI |

General Comment:

On 7/31/2023, Reclamation Specialist Trujillo inspected Caerus Piceance LLC's HMU-67S92W/19SWNE location in Garfield County, Colorado.

This inspection is in response to #708901154, and at the request of ECMC Compliance Unit due to observed concerns within the adjacent drainage southwest of the Location.

This inspection is to also provide supplemental documentation for observed compliance issues identified in inspection #708901154; refer to inspection for CAs regarding stormwater, unmarked anchors, and inadequate liner integrity.

The following new compliance issues were observed during this inspection:

-Undesirable Plant Species

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; The "Date of Discovery" is being provided as the corrective action date for all new observed compliance issues. Location will remain out of compliance until corrective action(s) has(have) been resolved and a follow up inspection will be conducted to ensure the compliance issues have been corrected to comply with ECMC rules.

Location

Overall Good:

Signs/Marker:

| | | | |
|--------------------|----------------------|-------|--|
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment:

Corrective Action:

Date:

Overall Good:

Spills:

| Type | Area | Volume | | |
|------|------|--------|--|--|
| | | | | |

In Containment: No

Comment:

Multiple Spills and Releases?

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| CONDENSATE | 2 | 300 BBLS | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|----------------------|
| Condition | <input type="text"/> |
| Other (Content) | <input type="text"/> |
| Other (Capacity) | <input type="text"/> |
| Other (Type) | <input type="text"/> |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|--|---------------------|---------------------|-------------|
| Metal | Inadequate | Walls Insufficient | Base Insufficient | Inadequate |
| Comment: | Refer to inspection #708901154 for corrective action regarding inadequate secondary containment. | | | |
| Corrective Action: | | | | Date: |

Venting:

| | | | |
|--------|----------------------|--|--|
| Yes/No | <input type="text"/> | | |
|--------|----------------------|--|--|

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

Flaring:

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

Inspected Facilities

| | | | | |
|----------------------------|-----------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>269700</u> | Type: <u>WELL</u> | API Number: <u>045-09399</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>270078</u> | Type: <u>WELL</u> | API Number: <u>045-09451</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>270079</u> | Type: <u>WELL</u> | API Number: <u>045-09452</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>270291</u> | Type: <u>WELL</u> | API Number: <u>045-09519</u> | Status: <u>SI</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>270713</u> | Type: <u>WELL</u> | API Number: <u>045-09789</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>270714</u> | Type: <u>WELL</u> | API Number: <u>045-09788</u> | Status: <u>PR</u> | Insp. Status: <u>RI</u> |
| Facility ID: <u>311615</u> | Type: <u>LOCATION</u> | API Number: <u>-</u> | Status: <u>AC</u> | Insp. Status: <u>RI</u> |

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? Pass

Comment [No waste or debris observed on the production and interim areas of the Location.](#)

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? Pass

Comment [No unused or unneeded observed on the production and interim areas of the Location.](#)

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? Fail

Comment [Refer to inspection #708901154 for corrective actions related to unmarked anchors/deadmans.](#)

Corrective Action _____

Date _____

1003b. Area no longer in use? Pass 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 REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured Pass 80% Revegetation Pass

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? F

Comment

It was observed in this inspection that interim areas not necessary for production have been reclaimed. Vegetation observed predominantly introduced species such as Smooth Brome and Crested wheatgrass. Native sagebrush establishment was also observed. Vegetation appears to have achieved a uniform desirable vegetative establishment.

Undesirable and Noxious Plant Species (Field Bindweed) observed established on the southern production pad and interim areas.

Continue to monitor and manage interim areas until Location receives a passing final reclamation inspection.

Corrective Action

Comply with Rule 606.c and 1003.f

Date 07/31/2023

Overall Interim Reclamation In Process

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 _____

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

Storm Water:

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

Comment: [Refer to Inspection #708901154 for corrective action related to stormwater. See attached report for supplemental documentation.](#)

[CA remains applicable.](#)

Corrective Action:

Date: _____

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 |
|--------------|-------------------------|---|
| 696205121 | Inspection Photo Report | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6200950 |