

**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:

01/30/2024

Submitted Date:

01/31/2024

Document Number:

708301600**FIELD INSPECTION FORM**Loc ID 335642 Inspector Name: Morris, Matthew On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10456Name of Operator: CAERUS PICEANCE LLCAddress: 1001 17TH STREET #1600City: DENVER State: CO Zip: 80202**Status Summary:**

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

Findings:15 Number of Comments4 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
Arauz, Steven		steven.arauza@state.co.us	
, CAERUS		COGCC.inspections@caerus oilandgas.com	
Kellerby, Shaun		shaun.kellerby@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
280184	WELL	SI	06/01/2023	GW	045-11214	N PARACHUTE WF09B- 26H26A596	SI
280469	WELL	SI	06/01/2023	GW	045-11261	N PARACHUTE WF08D- 26H26A596	SI

General Comment:**COGCC Inspection Report Summary**

On 1/30/2024 at approximately 11:40, Compliance Inspector Matthew Morris conducted an on-site inspection at CAERUS PICEANCE LLC, N PARACHUTE/WF08D-26H26A596 at Location ID #335642 in Garfield County, Colorado.

Normal production operations were observed.

During the inspection, the following compliance issues were observed:

- 1) No battery sign
- 2) No wellhead sign at NP WF08D-26 H26A 596
- 3) Unused equipment stored near separator
- 4) Stormwater; refer to Stormwater section

A follow-up on this site inspection will be conducted to ensure the compliance issues have been corrected to comply with CECMC rules.

This location is within or in close proximity to, a CPW Density/High Priority Habitat, Black Bear, NSO Habitat, or Wildlife Management area.

LocationOverall Good: ☐**Signs/Marker:**

Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:	No wellhead sign posted at NP WF08D-26 H26A 596.		
Corrective Action:	Install sign to comply with Rule 605.d.	Date:	03/01/2024
Type	OTHER		
Comment:	Separator units include attached storage tanks. The sight glass on the side of the unit indicates that the storage tank contains an unknown fluid. No form of labeling or markers is present to identify a potential hazard or the contents of the storage tank.		
Corrective Action:		Date:	
Type	BATTERY		
Comment:	No battery sign posted.		
Corrective Action:	Install sign to comply with Rule 605.e.	Date:	03/01/2024

Emergency Contact Number:

Comment: 911/1-800-791-7691

Corrective Action:

Date: _____

Good Housekeeping:

Type	STORAGE OF SUPL		
Comment:	Unused stairwell stored near separator unit.		
Corrective Action:	Remove stored equipment from location to comply with Rule 606.	Date:	03/01/2024

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment:

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

Type	WELLHEAD		
Comment:	Concrete barriers		
Corrective Action:		Date:	
Type	SEPARATOR		
Comment:	Concrete barriers		
Corrective Action:		Date:	

Equipment:

Type: Horizontal Heated Separator	# 2		corrective date
Comment:			

Corrective Action:		Date:	
Type: Bird Protectors	# 3		
Comment:			
Corrective Action:		Date:	
Type: Gas Meter Run	# 2		
Comment:			
Corrective Action:		Date:	
Type: Bradenhead	# 2		
Comment:			
Corrective Action:		Date:	
Type: Plunger Lift	# 2		
Comment:			
Corrective Action:		Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	<100 BBLs	STEEL AST		,
Comment:	Sediment from 2023 landslide remains and has overrun ASTs and secondary containment. It is unclear if tanks have been damaged and if there is production fluid present in tanks.				
Corrective Action:					Date:

Paint

Condition	Adequate
Other (Content)	
Other (Capacity)	80 bbls
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal					
Comment:					
Corrective Action:					
Date:					
Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	2	OTHER	STEEL AST		,
Comment:	Sediment from 2023 landslide remains and has overrun ASTs and secondary containment. It is unclear if tanks have been damaged and if there is production fluid present in tanks.				
Corrective Action:					Date:

Paint

Condition	Adequate
Other (Content)	
Other (Capacity)	250 bbls
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal					
Comment:					
Corrective Action:					Date:
<u>Venting:</u>					
Yes/No	NO				
Comment:					
Corrective Action:					Date:
<u>Flaring:</u>					
Type					
Comment:					
Corrective Action:					Date:

Inspected Facilities									
Facility ID:	280184	Type:	WELL	API Number:	045-11214	Status:	SI	Insp. Status:	SI
Idle Well									
Purpose: <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned Reminder:									
Comment: Last produced May 2023									
Corrective Action: Date:									
Facility ID:	280469	Type:	WELL	API Number:	045-11261	Status:	SI	Insp. Status:	SI
Idle Well									
Purpose: <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned Reminder:									
Comment: Last produced May 2023									
Corrective Action: Date:									

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

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
		Compaction				
		Sediment Traps				
Gravel						
Compaction						
		Ditches				
Other	Fail					Site degradation from sediment run-on
Berms						
		Rip Rap				
		Gravel				
		Culverts				
Gradient Terraces						
Seeding						
Hydro Mulch						
		Check Dams				

Comment: Site degradation; Sediment from 2023 landslide remains on location and is impeding on production equipment. It is unclear if tanks have been damaged and if there is production fluid present in tanks.

Corrective Action: 1002.f.(2): Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations to control Stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. BMPs shall be maintained until the facility is abandoned and final reclamation is achieved pursuant to Rule 1004.

Date: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Caerus Oil and Gas was immediately notified of sediment issues on location. Operator notified me that all wells have been shut-in since the stormwater incident in May of 2023. ECMC Environmental Protection Specialist Steven Arauza has been notified of findings.	morris	01/31/2024

Attached Documents

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

Document Num	Description	URL
403673260	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6414595
708301601	Photo Log	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6414586