

**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:

03/01/2024

Submitted Date:

03/04/2024

Document Number:

698100305

FIELD INSPECTION FORMLoc ID _____ Inspector Name: _____ On-Site Inspection ☐
Arauza, Steven 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:

7 Number of Comments

3 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
Middleton, Brett		bmiddleton@caerusoilandgas.com	Sr. Environmental Specialist
Fischer, Alex		alex.fischer@state.co.us	
Rollins, Blair		brollins@caerusoilandgas.com	
,		lrider@caerusoilandgas.com	
,		COGCC.inspections@caerusoilandgas.com	All Inspections
Longworth, Mike		michael.longworth@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
486170	TANK BATTERY	AC	03/01/2024		-	Railsback Water Facility	EI

General Comment:

ECMC Environmental Inspection conducted in response to a verbal Spill/Release Notification from the Operator. Weather conditions during inspection were sunny skies with a temperature of 49 degrees Fahrenheit.

Release occurred approximately 1,000 west of Mamm Creek. DWR data documents the presence of a water well (DWR Permit #283209, Receipt #9503377) located approximately 600 feet northwest of the point of release with a reported depth of 12'. Landowner of impacted area reports that their water source is a nearby spring on the property. These issues were discussed with the Operator during inspection and subsequent phone calls.

Operator had a hydrovac truck on location and absorbent materials had been installed along flow path prior to arrival of ECMC Environmental Protection Specialist (EPS). ECMC EPS observed ongoing release of hydrocarbon fluids with high paraffin content originating from north end of tank battery, where the flow path entered a perimeter ditch and ran offsite to the north for approximately 670' inside of a ditch along the west side of C.R. 315.

Operator and ECMC EPS assessed potential flowpath along impacted ditch on west side of C.R. 315 and inspected areas on opposite (east) side of C.R. 315 for potential impacts. Stock ponds were observed for sampling on east side of C.R. 315. Unidentified fluids were observed near pipeline infrastructure on east side of C.R. 315, but no indications of potential hydrocarbon impacts were observed in that area during inspection.

See photos.

Operator's environmental consultant arrived at the end of inspection to commence site investigation, including sampling of environmental media. Recovery Operations continued through the weekend, per phone conversation with Operator on 3/4/2024.

See Form 19 Initial Spill/Release Report doc #403705986 corresponding to ECMC Spill/Release ID #486172. Note that ECMC Facility ID #486170 was administratively created for this Tank Battery facility in response to this incident.

LocationOverall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Overall Good: ☐**Spills:**

Type	Area	Volume		
Produced Water	Truck Loadout	<= 1 bbl		
Comment:	During inspection, an accidental discharge of fluids from the truck loadout area was observed in addition to the reported hydrocarbon fluids, impacting the surface of the facility.			
Corrective Action:	Assess potential impacts to pad surface. Comply with Rule 912.			Date: 03/11/2024

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Tanks and Berms:**

Contents	#	Capacity	Type	Tank ID	SE GPS
OTHER	2	500 BBLs	STEEL AST		,
Comment:	Tank battery consisted of two 500-bbl Steel ASTs labeled to contain condensate and produced water inside of lined metal secondary containment.				
Corrective Action:					Date:

Paint

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Insufficient	Base Insufficient	Inadequate
Comment:	Fluids were observed accumulating inside of north end of tank battery secondary containment area and outside of secondary containment area to north/northwest. See photos			
Corrective Action:	Assess integrity of tank battery secondary containment devices. Provide assessment results on a Supplemental Form 19 Spill/Release Report. Install liner material to ensure spill or released materials will be maintained with containment structure.			Date: 04/03/2024

Venting:

Yes/No		
Comment:		
Corrective Action:		Date:

Flaring:

Type	
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Comment:			
Corrective Action:		Date:	

Inspected Facilities									
Facility ID:	486170	Type:	TANK	API Number:	-	Status:	AC	Insp. Status:	EI

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Environmental		
Spill/Remediation:		
Comment:	Spill/Release ID #486172 has been assigned for this incident. ECMC will work with the Operator under the Spill Reporting process to ensure compliance. Per ECMC requirements, a Supplemental Spill/Release report is due within 10 days of discovery of the Spill/Release.	
Corrective Action:	Comply with Rule 912. Assess potential pathways to groundwater and surface water provide assessment results on a Supplemental Form 19. Control any stormwater runoff from impacted areas and maintain potentially-impacted precipitation as E&P Waste.	Date: 03/11/2024
Emission Control Burner (ECB): _____		
Comment:	_____	
Pilot: _____	Wildlife Protection Devices (fired vessels): _____	

Attached Documents

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

Document Num	Description	URL
698100306	20240301 field photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6452356