

**FORM  
INSP**Rev  
05/11**State of Colorado****Oil and Gas Conservation Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



DE	ET	OE	ES
----	----	----	----

Inspection Date:

04/03/2014

Document Number:

663902918

Overall Inspection:

Satisfactory**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	435806	435806	LONGWORTH, MIKE	<input type="checkbox"/>	

**Operator Information:**

OGCC Operator Number:

Name of Operator: CAERUS PICEANCE LLCAddress: 600 17TH STREET #1600NCity: DENVER State: CO Zip: 80202

- ☒ THIS IS A FOLLOW UP INSPECTION
- ☐ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED
- ☐ INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

**Contact Information:**

Contact Name	Phone	Email	Comment
Kellerby, Shaun		shaun.kellerby@state.co.us	
Winters, Ed		ewinters@caerusoilandgas.com	
Schmitz, Steve		sschmitz@caerusoilandgas.com	Drilling Manager

**Compliance Summary:**QtrQtr: SESE Sec: 14 Twp: 7S Range: 96W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Unsatisfactory	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
03/31/2014	663902906			Unsatisfactory			No
02/05/2014	663902751			Satisfactory			No

**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
435798	WELL	DG	03/20/2014	LO	045-22297	NOLTE 44B-14	DG	<input checked="" type="checkbox"/>
435799	WELL	XX	01/10/2014	LO	045-22298	NOLTE 13B-13	ND	<input checked="" type="checkbox"/>
435800	WELL	DG	03/11/2014	LO	045-22299	NOLTE 11B-24	DG	<input checked="" type="checkbox"/>
435801	WELL	XX	01/10/2014	LO	045-22300	NOLTE 14C-13	ND	<input checked="" type="checkbox"/>
435802	WELL	DG	03/31/2014	LO	045-22301	NOLTE 44A-14	DG	<input checked="" type="checkbox"/>
435803	WELL	DG	04/04/2014	LO	045-22302	NOLTE 43C-14	DG	<input checked="" type="checkbox"/>
435804	WELL	DG	03/23/2014	LO	045-22303	NOLTE 11A-24	DG	<input checked="" type="checkbox"/>
435805	WELL	DG	03/27/2014	LO	045-22304	NOLTE 14D-13	DG	<input checked="" type="checkbox"/>
435807	WELL	XX	01/10/2014	LO	045-22305	NOLTE 13D-13	ND	<input checked="" type="checkbox"/>
435808	WELL	DG	03/15/2014	LO	045-22306	NOLTE 44C-14	DG	<input checked="" type="checkbox"/>
435809	WELL	XX	01/10/2014	LO	045-22307	NOLTE 13C-13	ND	<input checked="" type="checkbox"/>
435810	WELL	XX	01/10/2014	LO	045-22308	NOLTE 13A-13	ND	<input checked="" type="checkbox"/>
435811	WELL	XX	01/10/2014	LO	045-22309	NOLTE 43B-14	ND	<input checked="" type="checkbox"/>

Inspector Name: LONGWORTH, MIKE

435812	WELL	XX	01/10/2014	LO	045-22310	NOLTE 14A-13	ND	<input checked="" type="checkbox"/>
435813	WELL	XX	01/10/2014	LO	045-22311	NOLTE 14B-13	ND	<input checked="" type="checkbox"/>
435814	WELL	XX	01/10/2014	LO	045-22312	NOLTE 43A-14	ND	<input checked="" type="checkbox"/>
435887	WELL	DG	02/24/2014	LO	045-22315	NOLTE SWD 1-14	DG	<input checked="" type="checkbox"/>
435989	WELL	DG	03/04/2014	LO	045-22325	NOLTE 11C-24	DG	<input checked="" type="checkbox"/>

**Equipment:**

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>18</u>	Production Pits: _____
Condensate Tanks: <u>2</u>	Water Tanks: <u>4</u>	Separators: <u>20</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>1</u>	Oil Tanks: _____	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: <u>1</u>	Flare: _____	Fuel Tanks: _____

**Location**

**Lease Road:**

Type	Satisfactory/Unsatisfactory	comment	Corrective Action	Date
Access	Satisfactory			

**Signs/Marker:**

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date
DRILLING/RECOMP	Satisfactory			

Emergency Contact Number: (S/U/V) Satisfactory

Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

**Spills:**

Type	Area	Volume	Corrective action	CA Date
------	------	--------	-------------------	---------

☐ Multiple Spills and Releases?

**Venting:**

Yes/No	Comment

**Flaring:**

Type	Satisfactory/Unsatisfactory	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 435806

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/U/V:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

Group	User	Comment	Date
OGLA	kubeczkd	<p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.</p> <p>Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.</p> <p>The location is in an area of moderate to high run-on/run-off potential; therefore standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater run-off.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.</p>	11/27/2013
OGLA	kubeczkd	<p>Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to testing surface poly/steel or buried poly/steel pipelines.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.</p> <p>Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface poly pipeline routes for leaks during active transfer of fluids. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance during pipeline monitoring. The operator shall maintain records of inspections, findings and repairs, if necessary, for the life of the pits.</p> <p>Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all sensitive area crossings, including, but not limited to stream, intermittent stream, ditch, and drainage crossings.</p> <p>Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.</p>	11/27/2013

OGLA	kubeczkd	<p>The moisture content of any cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) located on the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.</p>	11/27/2013
OGLA	kubeczkd	<p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p> <p>As required for Groundwater Baseline Sampling; Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING:</p>	11/27/2013

**S/U/V:** Satisfactory**Comment:**

Consistant form 42 notices have been submitted

**CA:****Date:****Wildlife BMPs:**

BMP Type	Comment
Construction	<ul style="list-style-type: none"> <li>• Stockpiles for topsoil, excess cut material, and drill cuttings will be located in work areas within perimeter BMPs.</li> <li>• Stormwater BMPs will be installed per details in the Stormwater BMP manual.</li> <li>• Disturbed area of site will be left in a surface roughened condition when feasible.</li> <li>• BMPs will be protected, inspected and repaired as necessary.</li> <li>• Dust mitigation practices will be utilized.</li> </ul>
Storm Water/Erosion Control	<ul style="list-style-type: none"> <li>• Run-on protection and run-off controls will be installed prior to the beginning of construction activities, as practicable, with consideration given to worker safety and site access. Additional structural and non-structural Best Management Practices (BMPs) will likely need to be installed during and following construction.</li> <li>• No stormwater run-off will be discharged to the Colorado River.</li> </ul>
Pre-Construction	<ul style="list-style-type: none"> <li>• A stabilized staging area will be prepared.</li> <li>• Vehicle tracking pads, geotextiles, or mud mats will be installed where applicable to provide designated access into the ROW.</li> <li>• Perimeter control BMPs will be installed.</li> <li>• Access to areas that are not to be disturbed will be limited to protect the existing vegetation.</li> <li>• Dust mitigation practices will be utilized.</li> </ul>
Drilling/Completion Operations	<ul style="list-style-type: none"> <li>• Topsoil will be stockpiled as appropriate to maintain microbial viability.</li> <li>• Run-off from the facility will be controlled per Stormwater Management Plan.</li> <li>• Pooled water will be treated for mosquitoes to minimize the spread of the West Nile virus.</li> </ul>
Interim Reclamation	<ul style="list-style-type: none"> <li>• Top soil, where present, will be segregated from deeper soils and replaced as top soil on the final grade, a process known as live topsoil handling.</li> <li>• In all cases, temporary disturbance will be kept to an absolute minimum.</li> <li>• Equipment and materials handling will be done on established sites to reduce area and extent of soil compaction.</li> <li>• Disturbances will be reseeded as soon as practical with the recommended mix in the re-vegetation section.</li> <li>• Topsoil stockpiles will be seeded with non-invasive sterile hybrid grasses, if stored longer than one growing season.</li> <li>• Prior to delivery to the site, equipment will be cleaned of soils remaining from previous construction sites which may be contaminated with noxious weeds.</li> <li>• If working in sites with weed-seed contaminated soil, equipment will be cleaned of potentially seed-bearing soils and vegetative debris prior to moving to uncontaminated terrain.</li> </ul>

Wildlife	<ul style="list-style-type: none"> <li>• All garbage and any food items will be placed in bear proof trash containers. Personnel will not feed bears at any time. Bears will not be approached if encountered in the project area.</li> <li>• Seed mix used for interim and final reclamation is prescribed by the landowner.</li> <li>• Other considerations as described in the Wildlife Mitigation Plan with Colorado Division of Parks and Wildlife.</li> </ul>
Final Reclamation	<ul style="list-style-type: none"> <li>• BMPs installed during previous phases will be maintained and repaired as necessary.</li> <li>• Surface will be stabilized with gravel when feasible</li> <li>• BMPs will be inspected.</li> <li>• Seeding and mulching or the installation of erosion control blankets will take place where applicable.</li> <li>• All non-biodegradable temporary BMPs will be removed when applicable.</li> <li>• Dust mitigation practices will be utilized.</li> </ul>

S/U/V: Satisfactory

Comment:

Drill cuttings and berming have been addressed. NOTICE OF INSPECTION CORRECTIVE ACTIONS PERFORMED [#400582787]

CA:

Date:

Stormwater:

Comment:

Staking:

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:

### Facility

Facility ID:	435798	Type:	WELL	API Number:	045-22297	Status:	DG	Insp. Status:	DG
Facility ID:	435799	Type:	WELL	API Number:	045-22298	Status:	XX	Insp. Status:	ND
Facility ID:	435800	Type:	WELL	API Number:	045-22299	Status:	DG	Insp. Status:	DG
Facility ID:	435801	Type:	WELL	API Number:	045-22300	Status:	XX	Insp. Status:	ND
Facility ID:	435802	Type:	WELL	API Number:	045-22301	Status:	DG	Insp. Status:	DG

**Well Drilling**

**Rig:** Rig Name: Paterson 303 Pusher/Rig Manager: Whitey  
 Permit Posted: Satisfactory Access Sign: Satisfactory

**Well Control Equipment:**

Pipe Ram: \_\_\_\_\_ Blind Ram: \_\_\_\_\_ Hydril Type: \_\_\_\_\_  
 Pressure Test BOP: \_\_\_\_\_ Test Pressure PSI: \_\_\_\_\_ Safety Plan: YES

**Drill Fluids Management:**

Lined Pit: \_\_\_\_\_ Unlined Pit: \_\_\_\_\_ Closed Loop: YES Semi-Closed Loop: \_\_\_\_\_  
 Multi-Well: YES Disposal Location: \_\_\_\_\_

**Comment:**Drilling production

Facility ID: <u>435803</u>	Type: <u>WELL</u>	API Number: <u>045-22302</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>435804</u>	Type: <u>WELL</u>	API Number: <u>045-22303</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>435805</u>	Type: <u>WELL</u>	API Number: <u>045-22304</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>435807</u>	Type: <u>WELL</u>	API Number: <u>045-22305</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>435808</u>	Type: <u>WELL</u>	API Number: <u>045-22306</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>435809</u>	Type: <u>WELL</u>	API Number: <u>045-22307</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>435810</u>	Type: <u>WELL</u>	API Number: <u>045-22308</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>435811</u>	Type: <u>WELL</u>	API Number: <u>045-22309</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>435812</u>	Type: <u>WELL</u>	API Number: <u>045-22310</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>435813</u>	Type: <u>WELL</u>	API Number: <u>045-22311</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>435814</u>	Type: <u>WELL</u>	API Number: <u>045-22312</u>	Status: <u>XX</u>	Insp. Status: <u>ND</u>
Facility ID: <u>435887</u>	Type: <u>WELL</u>	API Number: <u>045-22315</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>
Facility ID: <u>435989</u>	Type: <u>WELL</u>	API Number: <u>045-22325</u>	Status: <u>DG</u>	Insp. Status: <u>DG</u>

**Environmental****Spills/Releases:**

Type of Spill: \_\_\_\_\_ Description: \_\_\_\_\_ Estimated Spill Volume: \_\_\_\_\_  
 Comment: \_\_\_\_\_  
 Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_  
 Reportable: \_\_\_\_\_ GPS: Lat \_\_\_\_\_ Long \_\_\_\_\_

Inspector Name: LONGWORTH, MIKE

Proximity to Surface Water: \_\_\_\_\_

Depth to Ground Water: \_\_\_\_\_

**Water Well:**

DWR Receipt Num: \_\_\_\_\_ Owner Name: \_\_\_\_\_ GPS : \_\_\_\_\_ Lat \_\_\_\_\_ Long \_\_\_\_\_

**Field Parameters:**

Sample Location: \_\_\_\_\_

Emission Control Burner (ECB): \_\_\_\_\_

Comment: \_\_\_\_\_

Pilot: \_\_\_\_\_ Wildlife Protection Devices (fired vessels): \_\_\_\_\_

**Reclamation - Storm Water - Pit**

**Interim Reclamation:**

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: RANGELAND

Comment: \_\_\_\_\_

1003a. Debris removed? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Waste Material Onsite? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Unused or unneeded equipment onsite? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Pit, cellars, rat holes and other bores closed? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Guy line anchors removed? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Guy line anchors marked? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA 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 REVEGETATION**

Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ 80% Revegetation \_\_\_\_\_

1003 f. Weeds Noxious weeds? \_\_\_\_\_

Inspector Name: LONGWORTH, MIKE

Comment:

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

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
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

S/U/V: Satisfactory

Corrective Date:

Comment:

CA:

**Pits:** ☐ NO SURFACE INDICATION OF PIT