

**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
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Inspection Date:

06/12/2014

Document Number:

675100052

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	436810	436810	GRANAHAN, KYLE	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10456Name 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
Winters, Ed		ewinters@caerusoilandgas.com	
Schmitz, Steve		sschmitz@caerusoilandgas.com	Drilling Manager
Kellerby, Shaun		shaun.kellerby@state.co.us	

Compliance Summary:

QtrQtr:	Lot 11	Sec:	13	Twp:	7S	Range:	96W
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
05/15/2014	663903192			SATISFACTORY			No

Inspector Comment:

Arrived on location, Company rep. Pat Blackmer informed me of a situation regarding well Island Ranch 23A-13 API# 05-045-22400. This well is drilled and production casing set. It was noticed that it was bubbling between the surface and production casing. Cameron was on location installing a cap with a pressure gauge to monitor pressure and to shut in well.

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
437038	WELL	DG	05/30/2014		045-22393	ISLAND RANCH 23D-13	DG	<input checked="" type="checkbox"/>
437039	WELL	DG	06/06/2014		045-22394	ISLAND RANCH 24B-13	DG	<input checked="" type="checkbox"/>
437040	WELL	XX	05/03/2014		045-22395	ISLAND RANCH 21D-24	XX	<input type="checkbox"/>
437041	WELL	XX	05/03/2014		045-22396	ISLAND RANCH 24D-13	XX	<input type="checkbox"/>
437042	WELL	XX	05/03/2014		045-22397	ISLAND RANCH 21A-24	XX	<input type="checkbox"/>
437043	WELL	DG	06/02/2014		045-22398	ISLAND RANCH 24A-13	DG	<input checked="" type="checkbox"/>
437044	WELL	DG	05/26/2014		045-22399	ISLAND RANCH 23C-13	DG	<input checked="" type="checkbox"/>
437045	WELL	DG	05/18/2014		045-22400	ISLAND RANCH 23A-13	DG	<input checked="" type="checkbox"/>
437046	WELL	XX	05/03/2014		045-22401	ISLAND RANCH 21B-24	XX	<input type="checkbox"/>
437047	WELL	XX	05/03/2014		045-22402	ISLAND RANCH 21C-24	XX	<input type="checkbox"/>
437048	WELL	DG	05/22/2014		045-22403	ISLAND RANCH 23B-13	DG	<input checked="" type="checkbox"/>
437049	WELL	DG	06/10/2014		045-22404	ISLAND RANCH 24C-13	DG	<input checked="" type="checkbox"/>

Equipment:Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>13</u>	Production Pits: _____
Condensate Tanks: <u>1</u>	Water Tanks: <u>3</u>	Separators: <u>4</u>	Electric Motors: _____
Gas or Diesel Motors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: _____	VOC Combustor: <u>1</u>	Oil Tanks: <u>1</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: <u>1</u>	Flare: <u>1</u>	Fuel Tanks: _____

Location**Lease Road:**

Type	Satisfactory/Action Required	comment	Corrective Action	Date
Access	SATISFACTORY	Had Union Pacific rep. at standby next to railroad crossing to prevent any crossing issues.		

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
DRILLING/RECOMP	SATISFACTORY	Patterson 303 rig signs		

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?**Venting:**

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Field Flare	SATISFACTORY	Not currently flaring but set up to do so.		

PredrillLocation ID: 436810**Site Preparation:**

Lease Road Adeq.: _____

Pads: _____

Soil Stockpile: _____

S/A/V: _____

Corrective Action: _____

Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	kubeczkd	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).	03/24/2014

S/A/V: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Storm Water/Erosion Control	<ul style="list-style-type: none"> • 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. • No stormwater run-off will be discharged to the Colorado River.
Construction	<ul style="list-style-type: none"> • Stockpiles for topsoil, excess cut material, and drill cuttings will be located in work areas within perimeter BMPs. • Stormwater BMPs will be installed per details in the Stormwater BMP manual. • Disturbed area of site will be left in a surface roughened condition when feasible. • BMPs will be protected, inspected and repaired as necessary. • Dust mitigation practices will be utilized. • 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. • 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.
Final Reclamation	<ul style="list-style-type: none"> • BMPs installed during previous phases will be maintained and repaired as necessary. • Surface will be stabilized with gravel when feasible • BMPs will be inspected. • Seeding and mulching or the installation of erosion control blankets will take place where applicable. • All non-biodegradable temporary BMPs will be removed when applicable. • Dust mitigation practices will be utilized.
General Housekeeping	<ul style="list-style-type: none"> • Caerus will routinely inspect the surface pipeline to ensure integrity and 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. • Caerus will comply with Rule 609 Statewide Groundwater Baseline Sampling and Monitoring
Interim Reclamation	<ul style="list-style-type: none"> • 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. • In all cases, temporary disturbance will be kept to an absolute minimum. • Equipment and materials handling will be done on established sites to reduce area and extent of soil compaction. • Disturbances will be reseeded as soon as practical with the recommended mix in the re-vegetation section. • Topsoil stockpiles will be seeded with non-invasive sterile hybrid grasses, if stored longer than one growing season. • Prior to delivery to the site, equipment will be cleaned of soils remaining from previous construction sites which may be contaminated with noxious weeds. • 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.

Pre-Construction	<ul style="list-style-type: none"> • A stabilized staging area will be prepared. • Vehicle tracking pads, geotextiles, or mud mats will be installed where applicable to provide designated access into the ROW. • Perimeter control BMPs will be installed. • Access to areas that are not to be disturbed will be limited to protect the existing vegetation. • Dust mitigation practices will be utilized.
Wildlife	<ul style="list-style-type: none"> • 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. • Seed mix used for interim and final reclamation is prescribed by the landowner. • Other considerations as described in the Wildlife Mitigation Plan with Colorado Division of Parks and Wildlife.
Drilling/Completion Operations	<ul style="list-style-type: none"> • Topsoil will be stockpiled as appropriate to maintain microbial viability. • Run-off from the facility will be controlled per Stormwater Management Plan. • Pooled water will be treated for mosquitoes to minimize the spread of the West Nile virus. • Caerus will 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.

S/A/V: _____ **Comment:** _____

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:

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Summary of Operator Response to Landowner Issues:

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Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

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Facility

Facility ID: 437038 Type: WELL API Number: 045-22393 Status: DG Insp. Status: DG

Facility ID: 437039 Type: WELL API Number: 045-22394 Status: DG Insp. Status: DG

Facility ID: 437043 Type: WELL API Number: 045-22398 Status: DG Insp. Status: DG

Facility ID: 437044 Type: WELL API Number: 045-22399 Status: DG Insp. Status: DG

Facility ID: 437045 Type: WELL API Number: 045-22400 Status: DG Insp. Status: DG

BradenHead

Comment: Installed cap to monitor and trap gas bubbling between surface and production casing.

CA:

CA Date:

Facility ID: 437048 Type: WELL API Number: 045-22403 Status: DG Insp. Status: DG

Facility ID: 437049 Type: WELL API Number: 045-22404 Status: DG Insp. Status: DG

Well Drilling

Rig: Rig Name: Patterson 303 Pusher/Rig Manager: Ben Burnes

Permit Posted: SATISFACTORY Access Sign: SATISFACTORY

Well Control Equipment:

Pipe Ram: YES Blind Ram: YES Hydril Type: YES

Pressure Test BOP: Pass Test Pressure PSI: 5000 Safety Plan: YES

Drill Fluids Management:

Lined Pit: Unlined Pit: Closed Loop: Semi-Closed Loop:

Multi-Well: Disposal Location:

Comment:

Location was very organized and well kept. No broken bags or product spills in the chemical area and had covering on all pallets but 2. Discussed the rules about keeping chemicals covered and both Pat Blackmer and Ben Burnes agreed they can keep all product covered

Environmental**Spills/Releases:**

Type of Spill: Description: Estimated Spill Volume:

Comment:

Corrective Action: Date:

Reportable: GPS: Lat Long

Proximity to Surface Water: Depth to Ground Water:

Water Well:

Lat Long

DWR Receipt Num: Owner Name: GPS :

Field Parameters:

Sample Location:

Emission Control Burner (ECB):

Comment:

Pilot: Wildlife Protection Devices (fired vessels):

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

Inspector Name: GRANAHAHAN, KYLE

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

Land Use: DRY LAND

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? _____

Comment: _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: DRY LAND

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 _____

Inspector Name: GRANAHAHAN, KYLE

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
Berms	Pass	Compaction	Pass	CM	Pass	
Waddles	Pass	Ditches	Pass			
		Gravel	Pass	MHSP	Pass	
		Paving	Pass			
Ditches	Pass	Culverts	Pass			

S/A/V: SATISFACTOR Corrective Date: _____

Y

Comment: Stormwater BMP's looked great and appear to be maintained frequently

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
A secondary containment pool was being used to contain a tote of acid but the sides were knocked over making it useless. Problem was resolved before I left location. Location looked clean and organized.	GranahaK	06/12/2014