

**FORM
INSP**Rev
X/15**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:

09/19/2019

Submitted Date:

10/08/2019

Document Number:

699700034**FIELD INSPECTION FORM**Loc ID 334069 Inspector Name: Heil, John 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:**7 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 |
|----------------|-------|---------------------------------------|------------------|
| Fischer, Alex | | alex.fischer@state.co.us | |
| Arauzo, Steven | | steven.arauza@state.co.us | |
| Janicek, Jake | | JJanicek@caerusoilandgas.com | EHS Professional |
| Hughes, Jim | | jimo.hughes@state.co.us | |
| , | | COGCC.inspections@caerusoilandgas.com | All Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------------------|--------|-------------|------------|-----------|-----------------------------|-------------|
| 262866 | WELL | PR | 09/17/2002 | GW | 045-08064 | SHIDLER 1-7 (G1) | PR |
| 268506 | WELL | PR | 07/08/2004 | GW | 045-09268 | HMU 1-6D (G1) | PR |
| 282079 | WELL | PR | 08/25/2006 | GW | 045-11633 | SHIDLER FEDERAL 1-9 (G1SW) | PR |
| 282080 | WELL | PR | 08/26/2006 | GW | 045-11632 | SHIDLER FEDERAL 1-2C (G1SW) | PR |
| 282081 | WELL | PR | 07/21/2006 | GW | 045-11631 | SHIDLER 1-1C (G1SW) | PR |
| 448984 | SPILL OR RELEASE | CL | 01/13/2017 | | - | G1SW Valve Set | EI |
| 454662 | SPILL OR RELEASE | CL | 04/30/2018 | | - | SPILL/RELEASE POINT | EI |
| 466951 | SPILL OR RELEASE | AC | 09/03/2019 | | - | SHIDLER-68S93W 1SWNE | EI |

General Comment:

On September 19, 2019, COGCC Environmental Staff (John Heil and Alex Fischer) conducted an environmental field inspection of CAERUS PICEANCE LLC (Caerus operator #10456) SHIDLER G1SW Location ID 334069 Spill ID 466951. Weather was sunny and temperatures about 75 degrees Fahrenheit.

Inspection included visual observation of the right away and arroyo located north of the well pad. COGCC staff observed subsidence within the right away and a hole (3 feet in diameter and 2 feet deep) halfway between the well pad and arroyo (Near pipeline marker). COGCC staff observed pools of fluids within the arroyo and salt stained / moist soil. See photos.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: **Good Housekeeping:**

| | | | |
|--------------------|---|--|------------------|
| Type | OTHER | | |
| Comment: | 5-6 feet diameter of stained gravel within secondary containment of the upper tank battery (Tank# 4, see photos) | | |
| Corrective Action: | Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d. | | Date: 10/23/2019 |
| Type | OTHER | | |
| Comment: | 2-inch hole in the secondary containment liner of the lower tank battery (See photos). 5-6-inch hole and pen sized hole in a patch in the secondary containment liner of the upper tank battery (See photos). | | |
| Corrective Action: | Repair or install berms or other secondary containment devices per Rule 906.d.(1). | | Date: 10/28/2019 |
| Type | OTHER | | |
| Comment: | Rusted out bull plug on ASTs in the lower tank battery (See photos). | | |
| Corrective Action: | Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d. If tanks are no longer in use they are considered unused equipment, Comply with Rule 603.f. | | Date: 10/23/2019 |

Overall Good: ☐**Spills:**

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

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Venting:**

| | | | |
|--------------------|--|--|-------|
| Yes/No | | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

Flaring:

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

| Inspected Facilities | | | | |
|----------------------------|-----------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>262866</u> | Type: <u>WELL</u> | API Number: <u>045-08064</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>268506</u> | Type: <u>WELL</u> | API Number: <u>045-09268</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>282079</u> | Type: <u>WELL</u> | API Number: <u>045-11633</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>282080</u> | Type: <u>WELL</u> | API Number: <u>045-11632</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>282081</u> | Type: <u>WELL</u> | API Number: <u>045-11631</u> | Status: <u>PR</u> | Insp. Status: <u>PR</u> |
| Facility ID: <u>448984</u> | Type: <u>SPILL OR</u> | API Number: <u>-</u> | Status: <u>CL</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>454662</u> | Type: <u>SPILL OR</u> | API Number: <u>-</u> | Status: <u>CL</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>466951</u> | Type: <u>SPILL OR</u> | API Number: <u>-</u> | Status: <u>AC</u> | Insp. Status: <u>EI</u> |

Environmental**Spills/Releases:**

Type of Spill: PRODUCED WATER

Estimated Spill Volume: _____

Comment: Operator discovered a small amount of pooled water around the MCU injection pipeline and building, see Spill ID 46651 and Doc# 402153581. COGCC staff observed a 10 feet by 200 feet by 6 feet deep excavation located north of the upper tank battery and an assortment of flowlines within the excavation. COGCC staff did not observe any hydrocarbon odor or staining within the excavation or stockpiled soil.

Corrective Action: Comply with COAs on Doc# 402162155.

Date: _____

Reportable: YES

GPS: Lat _____

Long _____

Proximity to Surface Water: _____

Depth to Ground Water: _____

Water Well Complaint:

Lat _____

Long _____

DWR Receipt Num: _____

Owner Name: _____

GPS : _____

Field Parameters:

Sample Location: _____

Comment: _____

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

| Document Num | Description | URL |
|--------------|-----------------|---|
| 699700039 | 20190919 photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4958438 |