

**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:

10/15/2019

Submitted Date:

10/24/2019

Document Number:

698100079

FIELD INSPECTION FORM

Loc ID 334837 Inspector Name: Arauza, Steven On-Site Inspection 2A Doc Num: _____

Status Summary:

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

Operator Information:

OGCC Operator Number: 10456
Name of Operator: CAERUS PICEANCE LLC
Address: 1001 17TH STREET #1600
City: DENVER State: CO Zip: 80202

Findings:

- 11 Number of Comments
- 5 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 |
|-----------------|-------|---------------------------------------|---------------------------------|
| , | | lrider@caerusoilandgas.com | |
| , | | COGCC.inspections@caerusoilandgas.com | All Inspections |
| Murray, Richard | | g.richard.murray@state.co.us | |
| Fischer, Alex | | alex.fischer@state.co.us | |
| Heil, John | | john.heil@state.co.us | |
| Leonard, Mike | | mike.leonard@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------------|-------------|
| 211366 | WELL | PR | 03/17/1999 | GW | 045-07126 | SHIDELER 32-11 | EI |
| 269307 | WELL | PR | 02/06/2004 | GW | 045-09349 | SHIDELER 32-6C (K32) | EI |
| 269419 | WELL | PR | 02/05/2004 | GW | 045-09366 | COUEY 32-5A1 (K32) | EI |
| 269420 | WELL | PR | 02/27/2004 | GW | 045-09365 | GRAHAM 32-12A (K32) | EI |
| 269421 | WELL | PR | 02/24/2004 | GW | 045-09367 | COUEY 32-5 (K32) | EI |

General Comment:

COGCC Environmental inspection conducted by EPS Staff S. Arauza and J. Heil in response to operator's Form 22 Accident Report dated 10/12/2019 (doc #402207852). Accident report describes a fire that had occurred within a tank battery at the subject location, which resulted in the top being blown off of the tank. Weather conditions during inspection were sunny with a temperature of 63 degrees Fahrenheit.

Prior to resuming wells on location to production, operator shall ensure compliance with Rules 605.a.(4) and 605.d.

| Location | | | | | |
|--|---|----------|------------------|---------|-------------------------|
| Overall Good: <input type="checkbox"/> | | | | | |
| Signs/Marker: | | | | | |
| Type | OTHER | | | | |
| Comment: | Sign identifying private land rules and PPE requirements located at entrance to location is damaged. See photos. | | | | |
| Corrective Action: | | | | | Date: |
| Emergency Contact Number: | | | | | |
| Comment: | <input type="text"/> | | | | Date: |
| Corrective Action: | <input type="text"/> | | | | Date: _____ |
| Good Housekeeping: | | | | | |
| Type | TRASH | | | | |
| Comment: | Junk equipment (tank and associated equipment damaged in explosion) on site. | | | | |
| Corrective Action: | Comply with Rule 603.f . | | | | Date: <u>11/24/2019</u> |
| Type | UNUSED EQUIPMENT | | | | |
| Comment: | Unused equipment (corrugated plastic conduit) located NE of separators, see photos. | | | | |
| Corrective Action: | Comply with Rule 603.f . | | | | Date: <u>11/08/2019</u> |
| Overall Good: <input type="checkbox"/> | | | | | |
| Spills: | | | | | |
| Type | Area | Volume | | | |
| Condensate | WELLHEAD | <= 1 bbl | | | |
| Comment: | Localized accumulations of oil-stained soil around wellhead for Graham 32-12A. See photos. | | | | |
| Corrective Action: | Remove and properly dispose of oily waste, per Rule 907.e. | | | | Date: <u>11/24/2019</u> |
| In Containment: No | | | | | |
| Comment: | <input type="text"/> | | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | | |
| Equipment: | | | | | |
| Type: Vertical Heated Separator | # 4 | | | | corrective date |
| Comment: | Staining observed at base of vertical heated separator (NE side). Hydrocarbon odor observed in this area. 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: <u>11/08/2019</u> |
| Type: Other | # 1 | | | | |
| Comment: | Localized accumulations of oil-stained soil around wellhead for Graham 32-12A. 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: <u>11/08/2019</u> |
| Tanks and Berms: | | | | | |
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| CONDENSATE | 1 | 300 BBLS | HEATED STEEL AST | | , |
| Comment: | Operator's accident report indicates that the top had blown off of the production tank and that contents remained burning in the tank shell. See photos. | | | | |
| Corrective Action: | | | | | Date: |

| Paint | | | | |
|--------------------|---|---------------------|---------------------|-------------|
| Condition | | | | |
| Other (Content) | | | | |
| Other (Capacity) | | | | |
| Other (Type) | | | | |
| Berms | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| | | | | |
| Comment: | Repair or install berms or other secondary containment devices per Rule 605.a.(4) prior to resuming production. | | | |
| Corrective Action: | | | | Date: |
| Venting: | | | | |
| Yes/No | | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Flaring: | | | | |
| Type | | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

Inspected Facilities

| | | | | |
|----------------------------|-------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>211366</u> | Type: <u>WELL</u> | API Number: <u>045-07126</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>269307</u> | Type: <u>WELL</u> | API Number: <u>045-09349</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>269419</u> | Type: <u>WELL</u> | API Number: <u>045-09366</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>269420</u> | Type: <u>WELL</u> | API Number: <u>045-09365</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>269421</u> | Type: <u>WELL</u> | API Number: <u>045-09367</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |

COGCC Comments

| Comment | User | Date |
|--|---------|------------|
| SDS sheet for foam used in emergency response, as requested by COGCC, is attached to this inspection report. | arauzas | 10/24/2019 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------------|---|
| 698100080 | 20191015 field photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4972204 |
| 698100081 | SDS sheet | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4972205 |