

FORM
INSPRev
X/20State of Colorado
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

03/09/2021

Submitted Date:

03/11/2021

Document Number:

696202456

FIELD INSPECTION FORM

 Loc ID 335573 Inspector Name: Trujillo, Aaron 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:

- 6 Number of Comments
- 2 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 |
|----------------|-------|---------------------------------------|-----------------|
| , | | COGCC.inspections@caerusoilandgas.com | All Inspections |
| Arauza, Steven | | steven.arauza@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|---------|-------------------------|-------------|
| 335573 | LOCATION | AC | | | - | N. Parachute EF G29 595 | RI |

General Comment:

On 3/9/2021, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Caerus Piceance's N. Parachute EF G29 595 location in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

905.e: Oil Waste

1003.a: Interim Reclamation

Refer to the "Environmental" and "Reclamation" section of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

Any corrective action(s) from previous inspections that have not been addressed are still applicable.

A follow up inspection on this site will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

Inspected Facilities

Facility ID: 335573 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Environmental

Waste Management:

| Type | Management | Condition | GPS (Lat) | (Long) |
|---------------------|---|------------|-----------|------------------|
| Drill Cuttings Oily | | Inadequate | | |
| Comment | <p>It was observed in this Location that Operator has stored cuttings within constructed pits on the southeastern areas of the Location; pits appear to be unlined.</p> <p>Unable to find records of a submitted Form 27 per Sundry Doc. #401108183 conditions.</p> <p>Per COGCC comments within Sundry doc. #401089087, PAH exceedances at the time categorize the cuttings on the Location as oily waste, subject to Rule 905.e</p> | | | |
| Corrective Action | <p>Properly dispose of oily waste in accordance with Rule 905.e and contact area COGCC EPS.</p> | | | Date: 03/15/2021 |

Spill/Remediation:

Comment:

Corrective Action: Date:

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: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS **Fail** _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? **Fail** _____

Comment [Cuttings management on SE end of the Location. See "Environmental" section of this report.](#)

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

Date _____

1003b. Area no longer in use? Fail Production areas stabilized ? _____
 1003c. Compacted areas have been cross ripped? _____
 1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____
 Cuttings management: See "Environmental".
 1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? Fail
 Production areas have been stabilized? _____ Segregated soils have been replaced? Fail

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

1003e. INTERIM VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____
 TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment Records show 6/30/2011 as the "date of 1st production", for the last well to go into production on the Location. Pursuant to Rule 1003.a, interim reclamation was required by 12/30/2011.

Operator submitted disclosure letter Doc. #401121866 on 9/30/2016 regarding interim reclamation timing. Per the "Interim Reclaim List" Doc. #401121868, the EF G29 595 Location was identified for interim reclamation in 2016.

It was observed in this inspection that the Location is out of compliance with COGCC 1003 interim reclamation requirements; open pits with cuttings observed on the southeast end of the Location. See the "Environmental" section of this report regarding cuttings management.

Corrective Action Comply with COGCC 1003 Rules and conduct interim reclamation; ensure erosion controls are implemented to stabilize the seeded soil, and continue to monitor and manage this site until Final Reclamation has passed. Doc. #40112186 states Location would be reclaimed in 2016, therefore a corrective action date of 12/31/2016 is being provided.

Date 12/31/2016

Overall Interim Reclamation Fail

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 _____

1004.d. FINAL VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment:

Corrective Action:

Date _____

Overall Final Reclamation

Well Release on Active Location

Multi-Well Location

COGCC Comments

| Comment | User | Date |
|--|------------|------------|
| <p>Historic aerial imagery suggest cuttings have been on the Location as far back as, if not earlier than, 2013; last well to go into production dates 2011.</p> <p>Location within a sensitive area due to ground water and surface water, as well as a CPW "High Priority Habitat"</p> | trujilloam | 03/11/2021 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------------|---|
| 696202457 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5374365 |