

**FORM
INSP**Rev
X/20**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:

03/04/2021

Submitted Date:

03/04/2021

Document Number:

699802700

FIELD INSPECTION FORM

| | | | | |
|--|------------------------------------|---|-------------------|---|
| Loc ID 432551 | Inspector Name: De Paolo, Corey | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ | Status Summary: <input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> 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: 35 Number of Comments 1 Number of Corrective Actions <input checked="" type="checkbox"/> 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 |
|-----------------|-------|---|---------|
| , Caerus | | COGCC.inspections@caerus oilandgas.com | |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-----------------------------|-------------|
| 432292 | WELL | PR | 03/01/2020 | GW | 045-21945 | Hagen Federal 22-1AA (PC22) | PR |
| 432546 | WELL | PR | 01/06/2014 | GW | 045-22005 | Hagen Federal 15-16C (PC22) | PR |
| 432547 | WELL | PR | 12/31/2013 | GW | 045-22006 | Hagen Federal 22-4C (PC22) | PR |
| 432548 | WELL | PR | 03/01/2020 | GW | 045-22007 | Hagen Federal 22-1D (PC22) | PR |
| 432549 | WELL | PR | 01/07/2014 | GW | 045-22008 | Hagen Federal 22-4B (PC22) | PR |
| 432550 | WELL | PR | 04/03/2014 | GW | 045-22009 | Hagen Federal 15-16B (PC22) | PR |
| 432552 | WELL | PR | 01/10/2014 | GW | 045-22010 | Hagen Federal 22-8A (PC22) | PR |
| 432553 | WELL | PR | 12/19/2013 | GW | 045-22011 | Hagen Federal 22-5A (PC22) | PR |
| 432554 | WELL | PR | 01/13/2014 | GW | 045-22012 | Hagen Federal 22-2DD (PC22) | PR |
| 432555 | WELL | PR | 12/27/2013 | GW | 045-22013 | Hagen Federal 22-4D (PC22) | PR |
| 432556 | WELL | PR | 01/18/2014 | GW | 045-22014 | Hagen Federal 22-5AA (PC22) | PR |
| 432557 | WELL | PR | 12/31/2013 | GW | 045-22015 | Hagen Federal 22-2D (PC22) | PR |
| 432558 | WELL | PR | 03/01/2020 | GW | 045-22016 | Hagen Federal 22-1A (PC22) | PR |
| 432561 | WELL | PR | 12/31/2013 | GW | 045-22017 | Hagen 22-3B (PC22) | PR |

| | | | | | | | |
|--------|------|----|------------|----|-----------|--------------------------|----|
| 432562 | WELL | PR | 01/10/2014 | GW | 045-22018 | Hagen 15-13D (PC22) | PR |
| 432563 | WELL | PR | 01/16/2014 | GW | 045-22019 | Hagen 15-14A (PC22) | PR |
| 432564 | WELL | PR | 01/14/2014 | GW | 045-22020 | Hagen 22-3D (PC22) | PR |
| 432565 | WELL | PR | 01/11/2014 | GW | 045-22021 | Hagen 15-14C (PC22) | PR |
| 432566 | WELL | PR | 01/18/2014 | GW | 045-22022 | Hagen 15-14D (PC22) | PR |
| 432567 | WELL | PR | 01/10/2014 | GW | 045-22023 | Hagen 22-3A (PC22) | PR |
| 432810 | WELL | PR | 01/13/2014 | GW | 045-22050 | Hagen Clem 15-10C (PC22) | PR |

General Comment:

COGCC Inspection Report Summary

On Tuesday 3/4/21 at approximately 13:00 hours, I, Inspector Corey De Paolo, Conducted, an on-site inspection at CAERUS PICEANCE LLC Hagen Federal /22-8A (PC22), Location #432551 in Garfield County Colorado.

While there, I observed normal production operations.

During this inspection the following possible compliance issues were observed: Rutting present on location due to lack of stabilization. See photo #3046, #3047 and #3048. No form of tracking control at entrance to location. See photo #3049 with a corrective action date of 3/19/21.

A follow up on this site inspection needs to be conducted to ensure the Compliance issues have been corrected to comply with COGCC rules. This is a summary of inspection report.

Location

| | | | |
|--------------------|--------|-------|--|
| Lease Road: | | | |
| Type | Access | | |
| comment: | | | |
| Corrective Action | | Date: | |

Overall Good: ☒

| | | | |
|----------------------|---|-------|--|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | Wellhead signs located at separators and not wellheads. | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | Note there is no battery sign located at the battery. The previous information was posted on the tanks and does not meet the new battery sign requirements of Rule 605 e. | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 911

Corrective Action:

Date: _____

Good Housekeeping:

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

Overall Good: ☒

| | | | | |
|----------------|------|--------|--|--|
| Spills: | | | | |
| Type | Area | Volume | | |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

| | | | |
|--------------------|-----------------------------------|-------|--|
| Fencing/: | | | |
| Type | LOCATION | | |
| Comment: | Barbed wire fence around location | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------|--|-------|-----------------|
| Equipment: | | | corrective date |
| Type: Bradenhead | # 20 | | |
| Comment: | Pressure transducers located on all braden heads. All braden head valves are accessible. | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 20 | | |
| Comment: | All meter runs have been calibrated in the last year | | |

| | | | |
|---------------------------------|---------------------------|-------|--|
| Corrective Action: | | Date: | |
| Type: Emission Control Device | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 20 | | |
| Comment: | All wells on plunger lift | | |
| Corrective Action: | | Date: | |
| Type: Vertical Heated Separator | # 20 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 1 | | |
| Comment: | Summit midstream | | |
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # 5 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| | | | | | | |
|--------------------|---|----------|-----------|---------|--------|-------|
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| CONDENSATE | 6 | 500 BBLs | STEEL AST | | , | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |

Paint

| | | |
|------------------|----------|--|
| Condition | Adequate | |
| Other (Content) | | |
| Other (Capacity) | | |
| Other (Type) | | |

Berms

| | | | | |
|--------------------|----------|---------------------|---------------------|-------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Comment: | | | | |
| Corrective Action: | | | | |
| | | Date: | | |

Venting:

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

Flaring:

| | | |
|--------------------|-------------------|-------|
| Type | Ignitor/Combustor | |
| Comment: | | |
| Corrective Action: | | |
| | | Date: |

| Inspected Facilities | | | | | | | | | |
|-----------------------|-----------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 432292 | Type: | WELL | API Number: | 045-21945 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| Facility ID: | 432546 | Type: | WELL | API Number: | 045-22005 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| Facility ID: | 432547 | Type: | WELL | API Number: | 045-22006 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| Facility ID: | 432548 | Type: | WELL | API Number: | 045-22007 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| Facility ID: | 432549 | Type: | WELL | API Number: | 045-22008 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| Facility ID: | 432550 | Type: | WELL | API Number: | 045-22009 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| Facility ID: | 432552 | Type: | WELL | API Number: | 045-22010 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| Facility ID: | 432553 | Type: | WELL | API Number: | 045-22011 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |

| | | | | | | | | | |
|------------------------------|-----------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 432554 | Type: | WELL | API Number: | 045-22012 | Status: | PR | Insp. Status: | PR |
| <u>Producing Well</u> | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432555 | Type: | WELL | API Number: | 045-22013 | Status: | PR | Insp. Status: | PR |
| <u>Producing Well</u> | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432556 | Type: | WELL | API Number: | 045-22014 | Status: | PR | Insp. Status: | PR |
| <u>Producing Well</u> | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432557 | Type: | WELL | API Number: | 045-22015 | Status: | PR | Insp. Status: | PR |
| <u>Producing Well</u> | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432558 | Type: | WELL | API Number: | 045-22016 | Status: | PR | Insp. Status: | PR |
| <u>Producing Well</u> | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432561 | Type: | WELL | API Number: | 045-22017 | Status: | PR | Insp. Status: | PR |
| <u>Producing Well</u> | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432562 | Type: | WELL | API Number: | 045-22018 | Status: | PR | Insp. Status: | PR |
| <u>Producing Well</u> | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432563 | Type: | WELL | API Number: | 045-22019 | Status: | PR | Insp. Status: | PR |
| <u>Producing Well</u> | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |

| | | | | | | | | | |
|-----------------------|-----------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 432564 | Type: | WELL | API Number: | 045-22020 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432565 | Type: | WELL | API Number: | 045-22021 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432566 | Type: | WELL | API Number: | 045-22022 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432567 | Type: | WELL | API Number: | 045-22023 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |
| Facility ID: | 432810 | Type: | WELL | API Number: | 045-22050 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | Producing | | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| | | | | | | | | | |

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

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|-----------------------------|
| | | Check Dams | | | | |
| Other | Fail | | | | | No form of tracking control |
| Gravel | | | | | | by wellheads |
| | | Sediment Traps | | | | |
| Compaction | Fail | | | | | Rutting present on location |
| | | Compaction | | | | |
| Berms | | | | | | |
| | | Berms | | | | |
| | | Ditches | | | | |
| Ditches | | | | | | |

Comment: Rutting present on location due to lack of stabilization. See photo #3046, #3047 and #3048. No form of tracking control at entrance to location. See photo #3049.

Corrective Action: Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations.

Date: 03/19/2021

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| Refer to Storm water for corrective actions. | depaoloc | 03/04/2021 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------------------|---|
| 402619365 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5368365 |
| 699802701 | Photos for Insp. #699802700 | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5368361 |