

**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:

09/03/2021

Submitted Date:

09/08/2021

Document Number:

696203136

FIELD INSPECTION FORMLoc ID 479214 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 10456

Name of Operator: CAERUS PICEANCE LLC

Address: 1001 17TH STREET #1600

City: DENVER State: CO Zip: 80202

Status Summary:☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**

10 Number of Comments

4 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
,		dnr_cogccenforcement@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
479214	LOCATION	AC	01/14/2021		-	BJU N23-496 Central Delivery Point Production Pad	CI

General Comment:

On 9/3/2021, Reclamation Specialist Trujillo conducted a pre-drill stormwater and construction inspection at Caerus Piceance LLC's BJU N23-496 Central Delivery Point /Production Pad location in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

405.b: Notice of Construction

605.a: O&G Location Signage

1002.b: Soil removal and segregation

1002.c: Protection of Soil

1002.e.(4): Surface disturbance minimization: Access roads

1002.f: Stormwater

Refer to the "Construction" 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.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Pursuant to Rule 605.a, signage is required at the entrance to the Location at the time of construction.

It was observed in this inspection that required signage is missing at the Location.

Corrective Action: Comply with Rule 605.a. A CA date of 8/20/2021 is being provided as this was the start date of construction, and when signage was required.

Date: 08/20/2021

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

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

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Location ConstructionLocation ID: 479214 CDP:

Comment: On Aug. 24, 2021, Operator contacted Reclamation Specialist via email to provide notice that construction of Location no. 479214 commenced on Aug. 20th, 2021 (see attached email document). Form 42 Notice was required to be submitted no later than Aug. 18th, 2021; Operator submitted Form 42 #402790003 soon after contacting the Reclamation Specialist, and 6 days after it was required. Operator failed to submit a Form 42 Notice of Construction 2 business days in advance of commencing construction, in violation of Rule 405.b.

Corrective Action: Date: **Form 2A COAs:**Comment: Corrective Action: Date: **Wildlife BMPs:**Comment: Corrective Action: Date: **Stormwater:**

Erosion BMPs	Present	Other BMPs	Present
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WADDLES	Yes	No
Comments: Erosion BMPs: <u>See "Comment #1" under "COGCC Comments" at end of this report.</u> Other BMPs: <u></u>		
Corrective Action: <u>Comply with Rule 1002.f and implement perimeter stormwater and erosion control BMPs to manage runoff, and to allow for sediment laden-free discharge from the Location; ensure BMPs are installed accordance with good engineering practices, are adequate for the sites conditions, and are maintained in a proper functioning conditions. Ensure stockpiled topsoil is not incorporated with the BMPs, and remain protected.</u>		Date: 09/10/202 1
	No	No
Comments: Erosion BMPs: <u>It was observed in this inspection that stormwater and erosion control BMPs to protect and stabilize the fill slopes of the Location are missing, or insufficient.</u> Other BMPs: <u></u>		
Corrective Action: <u>Comply with Rule 1002.f.(2)</u>		Date: 09/10/202 1

Comment:

Corrective Action:

Date: _____

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:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

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 SEGREGATION _____ Fail _____

Comment

Operator has constructed (expanded from a pre-existing 2-track) the "Proposed Secondary Access Road" that travels south from the BJU N23-496, to the BJU B26-496 Pad. Reclamation Specialist was unable to find evidence that topsoil salvage and segregation was performed at this road; intact vegetation and topsoil observed beneath fill material of road. Reclamation Specialist also observed areas of intact vegetation and topsoil beneath fill material along the west primary access road leading to the Location's entrance.

Operator failed to properly salvage, segregate, store and protect all topsoils from the Location's entire disturbance area.

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ Fail _____

Comment

It was observed in this inspection that BMPs to protect, stabilize and prevent sediment transport at the stockpiled soils on the Location are missing or insufficient. It was also observed that sections of erosion logs implemented at stockpiled soils on the east end of the Location are not in proper functioning condition per good engineering practices.

Corrective Action

Comply with Rules 1002.c and 1002.f.

Date **09/10/2021**

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Fail _____

Comment

There are currently two (2) access road leading to this Location; Operator has constructed (expanded from a pre-existing 2-track) the "Proposed Secondary Access Road" that travels south from the BJU N23-496, to the BJU B26-496 Pad, and a road on the west end of the Location, leading from the main North/South access road to the Location's entrance.

This does not comport with Rule 1002.e.(4).

Operator will be required to reclaim one of the access roads at time of interim reclamation, or site will remain out of compliance with Rule 1002.e.

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

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? _____

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 REVEGETATIONCropland

Top soil replaced _____

Recontoured _____

Perennial forage re-established _____

Non-Cropland

Top soil replaced _____

Recontoured _____

80% Revegetation _____

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 _____

Corrective Action _____

Date _____

Overall Interim Reclamation**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 <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>

COGCC Comments

Comment	User	Date
<p>COMMENT #1</p> <p>It was observed in this inspection that Operator appears to be utilizing the topsoil stockpiles along the perimeter of the Location as a part of their perimeter stormwater BMPs; Operator has been previously notified verbally, and in other FIRs that the utilization of topsoil as stormwater control measures does not comport with Rule 1002.b and 1002.c, as the use of topsoil as a stormwater BMP puts the resource at risk of compaction, contamination due to mixing with sediment/subsoil, and places the resource at risk for loss due to stormwater discharge displacing the topsoil. See the "Reclamation" section regarding 1002.c "Protection of Soil".</p> <p>Perimeter controls measures to properly manage stormwater runoff, and to allow for sediment laden-free discharge observed to be missing or insufficient at the Location.</p>	trujilloam	09/08/2021

Attached Documents

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

Document Num	Description	URL
696203137	Email from Operator-Notice of Construction	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5526363
696203139	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5526364