

**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:

03/09/2023

Submitted Date:

03/10/2023

Document Number:

708900102

**FIELD INSPECTION FORM**Loc ID 335856 Inspector Name: Smelser, Wayne 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:**

28 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 |
|-----------------|-------|---|---------|
| , Caerus        |       | COGCC.inspections@caerus<br>oilandgas.com |         |
| Depaolo, Corey  |       | corey.depaulo@state.co.us                 |         |
| Kellerby, Shaun |       | shaun.kellerby@state.co.us                |         |

**Inspected Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name                | Insp Status |
|-------------|------|--------|-------------|------------|-----------|------------------------------|-------------|
| 293448      | WELL | PR     | 06/10/2011  | GW         | 045-14991 | N. Parachute MF15A E09 696   | PR          |
| 293449      | WELL | PR     | 07/13/2011  | GW         | 045-14992 | N. Parachute MF10A E09 696   | PR          |
| 293450      | WELL | PR     | 06/10/2011  | GW         | 045-14993 | N. Parachute MF10B E09 696   | PR          |
| 293451      | WELL | PR     | 06/10/2011  | GW         | 045-14994 | N. Parachute MF10C E09 696   | PR          |
| 293452      | WELL | PR     | 07/13/2011  | GW         | 045-14995 | N. Parachute MF10D E09 696   | PR          |
| 293453      | WELL | PR     | 05/12/2011  | GW         | 045-14996 | N. Parachute MF07C E09 696   | PR          |
| 414642      | WELL | PR     | 02/01/2021  | GW         | 045-18867 | N. PARACHUTE MF02C-9 E09 696 | PR          |
| 414644      | WELL | PR     | 06/10/2011  | GW         | 045-18886 | N. PARACHUTE MF07D-9 E09 696 | PR          |

**General Comment:**

COGCC Inspection Report Summary

On 03/09/2023 at approximately 15:09 hours, I, Compliance Specialist, Wayne Smelser  
Conducted an on-site inspection at CAERUS PICEANCE LLC N. Parachute MF10B E09 696 pad  
Location # 335856 in Garfield County Colorado.  
Location is located in a high priority habitat area.  
Split location, production separation equipment & production tanks located at Middlefork Station facility #'s 419757 & 470699

While there, I observed normal production operations.

During this inspection the following compliance issues were observed:

1. Calibration info not conspicuously posted with a CA date of 03/20/2023
2. Containment needs maintenance with a CA date of 03/30/2023
3. Production tank needs maintenance with a CA date of 04/09/2023
4. Stormwater - Chemical BMP's not maintained, Transportation of sediment off lease road into a vegetated area, Transportation of sediment into ditch, ditch needs maintenance with a CA date of 03/24/2023

Called operator & spoke to Jack Barnes in the operations control center. Informed him of the stormwater issue with the Chemical BMP's, he advised me that they'd notify the pumper & take care of the observed compliance issue asap.

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

|                           |        |       |  |
|---------------------------|--------|-------|--|
| <b><u>Lease Road:</u></b> |        |       |  |
| Type                      | Access |       |  |
| comment:                  |        |       |  |
| Corrective Action         | L      | Date: |  |

Overall Good: ☐

|                             |                      |       |  |
|-----------------------------|----------------------|-------|--|
| <b><u>Signs/Marker:</u></b> |                      |       |  |
| Type                        | CONTAINERS           |       |  |
| Comment:                    | Chemical tanks       |       |  |
| Corrective Action:          |                      | Date: |  |
| Type                        | TANK LABELS/PLACARDS |       |  |
| Comment:                    |                      |       |  |
| Corrective Action:          |                      | Date: |  |
| Type                        | OTHER                |       |  |
| Comment:                    | Sign on access road  |       |  |
| Corrective Action:          |                      | Date: |  |
| Type                        | WELLHEAD             |       |  |
| Comment:                    |                      |       |  |
| Corrective Action:          |                      | Date: |  |

Emergency Contact Number:

Comment: 911/970-285-2615

Corrective Action:

Date: \_\_\_\_\_

Overall Good: ☐

|                       |      |        |  |  |  |
|-----------------------|------|--------|--|--|--|
| <b><u>Spills:</u></b> |      |        |  |  |  |
| Type                  | Area | Volume |  |  |  |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

|                         |  |       |  |
|-------------------------|--|-------|--|
| <b><u>Fencing/:</u></b> |  |       |  |
| Type                    | OTHER                                  |       |  |
| Comment:                | Gas meter houses - Jersey barrier      |       |  |
| Corrective Action:      |  | Date: |  |
| Type                    | OTHER                                  |       |  |
| Comment:                | Gas lift meter houses - Jersey barrier |       |  |
| Corrective Action:      |  | Date: |  |
| Type                    | WELLHEAD                               |       |  |
| Comment:                | Jersey barrier                         |       |  |
| Corrective Action:      |  | Date: |  |
| Type                    | OTHER                                  |       |  |

|                           |   |  |       |                 |
|---------------------------|---|--|-------|-----------------|
| Comment:                  | Chemical tanks - Jersey barrier   |  |       |                 |
| Corrective Action:        |   |  | Date: |                 |
| <b>Equipment:</b>         |   |  |       | corrective date |
| Type: Gas Meter Run       | # 8   |  |       |                 |
| Comment:                  | Calibration info not conspicuously posted   |  |       |                 |
| Corrective Action:        | The Operator will conspicuously post and maintain the date of the last meter calibration in a legible condition at each meter at all times. |  | Date: | 03/20/2023      |
| Type: Ancillary equipment | # 2   |  |       |                 |
| Comment:                  | Chemical tanks  |  |       |                 |
| Corrective Action:        |   |  | Date: |                 |
| Type: Bradenhead          | # 8   |  |       |                 |
| Comment:                  | No form of pressure monitoring equipment located on bradenheads. All bradenhead valves are accessible.                                      |  |       |                 |
| Corrective Action:        |   |  | Date: |                 |
| Type: Gas Meter Run       | # 8   |  |       |                 |
| Comment:                  | Gas lift  |  |       |                 |
| Corrective Action:        |   |  | Date: |                 |
| Type: Plunger Lift        | # 8   |  |       |                 |
| Comment:                  | All wells on plunger lift   |  |       |                 |
| Corrective Action:        |   |  | Date: |                 |

**Tanks and Berms:**

| Contents           | #  | Capacity  | Type      | Tank ID | SE GPS           |
|--------------------|--|-----------|-----------|---------|------------------|
| PRODUCED WATER     | 1  | <100 BBLS | STEEL AST |         | ,                |
| Comment:           | Blowdown & unload tank<br>Tank appears to be in disrepair.             |           |           |         |                  |
| Corrective Action: | All in service tanks & process vessels will be inspected & maintained. |           |           |         | Date: 04/09/2023 |

**Paint**

|                  |            |  |
|------------------|------------|--|
| Condition        | Inadequate |  |
| Other (Content)  |            |  |
| Other (Capacity) | 80 bbl     |  |
| Other (Type)     |            |  |

**Berms**

| Type               | Capacity   | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|--|---------------------|---------------------|-------------|
| Metal              | Inadequate   | Walls Insufficient  | Base Sufficient     | Inadequate  |
| Comment:           | Containment needs maintenance  |                     |                     |             |
| Corrective Action: | The liner will be sufficiently impervious so that any discharge from a primary containment system will not escape containment before cleanup occurs. |                     |                     |             |
|                    |  |                     | Date:               | 03/30/2023  |

**Venting:**

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

**Flaring:**

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

| Inspected Facilities  |  |       |      |             |           |         |    |               |    |
|-----------------------|--|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID:          | 293448                                     | Type: | WELL | API Number: | 045-14991 | Status: | PR | Insp. Status: | PR |
| <b>Producing Well</b> |  |       |      |             |           |         |    |               |    |
| Comment:              | Producing, well on plunger lift & gas lift |       |      |             |           |         |    |               |    |
| Corrective Action:    |  |       |      |             |           | Date:   |    |               |    |
| Facility ID:          | 293449                                     | Type: | WELL | API Number: | 045-14992 | Status: | PR | Insp. Status: | PR |
| <b>Producing Well</b> |  |       |      |             |           |         |    |               |    |
| Comment:              | Producing, well on plunger lift & gas lift |       |      |             |           |         |    |               |    |
| Corrective Action:    |  |       |      |             |           | Date:   |    |               |    |
| Facility ID:          | 293450                                     | Type: | WELL | API Number: | 045-14993 | Status: | PR | Insp. Status: | PR |
| <b>Producing Well</b> |  |       |      |             |           |         |    |               |    |
| Comment:              | Producing, well on plunger lift & gas lift |       |      |             |           |         |    |               |    |
| Corrective Action:    |  |       |      |             |           | Date:   |    |               |    |
| Facility ID:          | 293451                                     | Type: | WELL | API Number: | 045-14994 | Status: | PR | Insp. Status: | PR |
| <b>Producing Well</b> |  |       |      |             |           |         |    |               |    |
| Comment:              | Producing, well on plunger lift & gas lift |       |      |             |           |         |    |               |    |
| Corrective Action:    |  |       |      |             |           | Date:   |    |               |    |
| Facility ID:          | 293452                                     | Type: | WELL | API Number: | 045-14995 | Status: | PR | Insp. Status: | PR |
| <b>Producing Well</b> |  |       |      |             |           |         |    |               |    |
| Comment:              | Producing, well on plunger lift & gas lift |       |      |             |           |         |    |               |    |
| Corrective Action:    |  |       |      |             |           | Date:   |    |               |    |
| Facility ID:          | 293453                                     | Type: | WELL | API Number: | 045-14996 | Status: | PR | Insp. Status: | PR |
| <b>Producing Well</b> |  |       |      |             |           |         |    |               |    |
| Comment:              | Producing, well on plunger lift & gas lift |       |      |             |           |         |    |               |    |
| Corrective Action:    |  |       |      |             |           | Date:   |    |               |    |
| Facility ID:          | 414642                                     | Type: | WELL | API Number: | 045-18867 | Status: | PR | Insp. Status: | PR |
| <b>Producing Well</b> |  |       |      |             |           |         |    |               |    |
| Comment:              | Producing, well on plunger lift & gas lift |       |      |             |           |         |    |               |    |
| Corrective Action:    |  |       |      |             |           | Date:   |    |               |    |
| Facility ID:          | 414644                                     | Type: | WELL | API Number: | 045-18886 | Status: | PR | Insp. Status: | PR |
| <b>Producing Well</b> |  |       |      |             |           |         |    |               |    |
| Comment:              | Producing, well on plunger lift & gas lift |       |      |             |           |         |    |               |    |
| Corrective Action:    |  |       |      |             |           | Date:   |    |               |    |

|  |
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|  |
|--|

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

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs                          | Chemical BMP Maintenance | Comment  |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|--|
|                  |                 | Ditches                 |                       |  |                          |  |
|                  |                 | Gravel                  |                       |  |                          |  |
|                  |                 |                         |                       | Material Handling And Spill Prevention | Fail                     | Chemical BMP's not maintained                      |
| Gravel           |                 |                         |                       |  |                          |  |
|                  |                 | Other                   | Fail                  |  |                          | Sediment transported off lease road                |
|                  |                 | Compaction              |                       |  |                          |  |
| Compaction       |                 |                         |                       |  |                          |  |
| Ditches          | Fail            |                         |                       |  |                          | Sediment transported into ditch, needs maintenance |

Comment: Sediment transported into ditch, ditch needs maintenance.

Sediment transported off lease road & into a vegetated area choking off vegetation.

Chemical BMP's not maintained

Called operator & spoke to Jack Barnes in the operations control center. Informed him of the stormwater issue with the chemical BMP's, he advised me that they'd notify the pumper & take care of the observed compliance issue asap.

Corrective Action: Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation.

Operators shall implement BMPs in accordance with good engineering practices, including measures such as: Materials handling and spill prevention procedures and practices implemented for material handling and spill prevention of materials used, stored, or disposed of that could result in discharges causing pollution of surface waters.

Date: 03/24/2023

Pits: ☒ NO SURFACE INDICATION OF PIT

**COGCC Comments**

| Comment   | User     | Date       |
|---|----------|------------|
| Please refer to Equipment, Tanks & Berms & Stormwater for observed compliance issues.   | smelserw | 03/10/2023 |
| Split location, production separation equipment & production tanks located at Middlefork Station facility #'s 419757 & 470699 |          |            |

**Attached Documents**

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

| Document Num | Description                    | URL   |
|--------------|--------------------------------|---|
| 708900107    | Inspection 708900102 photo log | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6047163">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6047163</a> |