

**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:

03/13/2023

Submitted Date:

03/16/2023

Document Number:

702500997

FIELD INSPECTION FORM

| | | | | |
|--|------------------------------------|---|-------------------|---|
| Loc ID 316151 | Inspector Name: Burchett, Kirby | 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: 20 Number of Comments 8 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 | (970) 285-2600 | COGCC.inspections@caerusoilandgas.com | |
| Kellerby, Shaun | (970) 712-1248 | shaun.kellerby@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|------------------|-------------|
| 232244 | WELL | PR | 01/01/2022 | GW | 103-09915 | LOVE RANCH FEE 1 | PR |

General Comment:**COGCC Inspection Report Summary**

On Monday, 03/13/2023, Inspector Kirby Burchett, conducted a routine field inspection at Caerus Piceance LLC on the Love Ranch Fee #1, Location #316151, in Rio Blanco County, Colorado.
 This location is within or in close proximity to a Parks and Wildlife (CPW) District Wildlife Management Plan with Black Bear, High Priority, NSO, and Density Habitats.

Any Corrective Actions from previous Inspections are still applicable.

While there, observing normal operations the following compliance issues were found:

1. Random debris.
2. Storage container.
3. Catch can full of liquid.
4. Equipment not in service.
5. Tank battery out of service.
6. Stormwater BMPs lacking maintenance.

Refer to attached photographs for Corrective Action.

Tank batteries at each end of location. North tank battery out of service. South tank battery is separate inspection. Loc ID #446952.

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

LocationOverall Good: ☐

| | | | |
|----------------------|----------------------|-------|--|
| Signs/Marker: | | | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 911 / (970) 285-2615

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|-------|------------|
| Type | UNUSED EQUIPMENT | | |
| Comment: | Meter run building not in service | | |
| Corrective Action: | Remove unused equipment. The storage, placement, or maintenance of equipment, vehicles, trailers, commercial products, chemicals, drums, totes, containers, materials, and all other supplies not necessary for use on an Oil and Gas Locations is prohibited. | Date: | 04/03/2023 |
| Type | DEBRIS | | |
| Comment: | Random debris scattered around location | | |
| Corrective Action: | All trash, rubbish, and other waste material will be properly contained until removed from the Oil and Gas Location. At no time will trash, debris, or rubbish be placed or remain on the ground. | Date: | 03/27/2023 |
| Type | STORAGE OF SUPL | | |
| Comment: | Storage container on location | | |
| Corrective Action: | Storage container needs to be removed from location. The storage, placement, or maintenance of equipment, vehicles, trailers, commercial products, chemicals, drums, totes, containers, materials, and all other supplies not necessary for use on an Oil and Gas Locations is prohibited. | Date: | 04/03/2023 |

Overall Good: ☐

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

In Containment: No

Comment:

☐ Multiple Spills and Releases?

| | | | |
|--------------------|--|-------|--|
| Fencing/: | | | |
| Type | WELLHEAD | | |
| Comment: | Pipe barriers | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Pipe barriers around 2 pigging stations and 1 pipeline riser | | |
| Corrective Action: | | Date: | |

| | | | |
|----------------------------|--|-------|------------------|
| Equipment: | | | corrective date |
| Type: Horizontal Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 1 | | |
| Comment: | Valves are accessible. Gauge installed. | | |
| Corrective Action: | | Date: | |
| Type: Pig Station | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Diesel tank on steel containment. In use? Necessary for operations? | | |
| Corrective Action: | Empty and remove tank and containment if not in use. | | Date: 04/03/2023 |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Manufactured double chemical tanks inside metal containment module. | | |
| Corrective Action: | | Date: | |
| Type: Flow Line | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 1 | | |
| Comment: | Inside separator. Gas meter calibration card indicates the most recent calibration is within the past year. | | |
| Corrective Action: | | Date: | |
| Type: Other | # 1 | | |
| Comment: | Wellhead tree. Well on free flow. | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|--|----------|-----------|---------|------------------|
| CONDENSATE | 2 | 200 BBLs | STEEL AST | | , |
| Comment: | Tank battery North of location not in use. Both tanks labeled out of service. | | | | |
| Corrective Action: | Remove or utilize condensate tanks. The storage, placement, or maintenance of equipment, vehicles, trailers, commercial products, chemicals, drums, totes, containers, materials, and all other supplies not necessary for use on an Oil and Gas Locations is prohibited. | | | | Date: 04/24/2023 |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------|----------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficient | Base Insufficient | Adequate |

| | | | | | | | |
|--------------------|--|----------|-----------|---------|--------|-------|------------|
| Comment: | Tank battery North of location not in use. Spray on liner cracked and peeling. Corrective Action addressed under Tanks and Berms: Produced Water | | | | | Date: | |
| Corrective Action: | | | | | | Date: | |
| Contents | # | Capacity | Type | Tank ID | SE GPS | | |
| PRODUCED WATER | 2 | 400 BBLs | STEEL AST | | | | |
| Comment: | Tank battery North of location not in use. Both tanks labeled out of service. | | | | | Date: | |
| Corrective Action: | Remove or utilize produced water tanks. The storage, placement, or maintenance of equipment, vehicles, trailers, commercial products, chemicals, drums, totes, containers, materials, and all other supplies not necessary for use on an Oil and Gas Locations is prohibited. | | | | | Date: | 04/24/2023 |

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: | Tank battery North of location not in use. Spray on liner cracked and peeling. | | | Date: |
| Corrective Action: | Remove or repair spill containment if production tanks are removed or put back in service. The storage, placement, or maintenance of equipment, vehicles, trailers, commercial products, chemicals, drums, totes, containers, materials, and all other supplies not necessary for use on an Oil and Gas Locations is prohibited. | | | Date: |

Venting:

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

Flaring:

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

| | | | | |
|----------------------|------------|-----------------------|------------|------------------|
| Inspected Facilities | | | | |
| Facility ID: 232244 | Type: WELL | API Number: 103-09915 | Status: PR | Insp. Status: PR |
| Producing Well | | | | |
| Comment: | Free flow | | | |
| 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 |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|--|
| | | | | Material Handling And Spill Prevention | Fail | Catch pan full of liquid` |
| | | Culverts | | | | |
| Ditches | | | | | | |
| | | Ditches | | | | |
| Berms | Fail | | | | | Erosion on North end of well pad to tank battery |
| | | Berms | | | | |
| Gravel | | | | | | |

Comment: Limited Stormwater inspection due to location being covered with snow.
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.
Oil and gas operators shall implement and maintain vehicle tracking Best Management Practices (BMPs) to control potential sediment discharges from operational roads, well pads, and other unpaved surfaces.

Corrective Action: Provide proper BMPs to prevent sediment migration from location and lease road.

Date: 04/03/2023

Pits: ☒ NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 403347738 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6052052 |
| 702501001 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6052050 |