

**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:

09/01/2023

Submitted Date:

09/04/2023

Document Number:

708901531

FIELD INSPECTION FORMLoc ID 324383 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:**

32 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
Toews, Wesley		wtoews@blm.gov	
, Caerus		COGCC.inspections@caerus oilandgas.com	
Katz, Aaron		aaron.katz@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
285965	WELL	PR	11/05/2012	GW	045-12594	FEDERAL 26-5 (I27W)	PR
429475	WELL	PR	10/22/2014	GW	045-21601	MCU 26-12B (I27W)	PR
429476	WELL	PR	07/31/2013	GW	045-21602	MCU 26-12A (I27W)	PR
429477	WELL	PR	06/29/2013	GW	045-21603	MCU 26-5A (I27W)	PR
429478	WELL	PR	07/31/2013	GW	045-21604	MCU 26-4B (I27W)	PR
429479	WELL	PR	07/31/2013	GW	045-21605	MCU 26-12D (I27W)	PR
429480	WELL	PR	07/31/2013	GW	045-21606	MCU 26-12C (I27W)	PR
429481	WELL	PR	07/31/2013	GW	045-21607	MCU 26-5C (I27W)	PR
429482	WELL	PR	07/05/2013	GW	045-21608	MCU 26-4A (I27W)	PR

General Comment:

CECMC Inspection Report Summary

On 09/01/2023 at approximately 11:20 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection at CAERUS PICEANCE LLC I27W Pad.

Location # 324383 in Garfield County Colorado.

Location is within Black Bear Habitat area & in close proximity to High Priority/Density Habitat areas.

While there, I observed normal production operations.

During this inspection the following compliance issues were observed:

1. Tanks & Berms - Hole in secondary containment liner/liner needs maintenance with a CA date of 09/24/2023

2. Equipment - Bird protection on heated condensate tank needs maintenance with a CA date of 09/11/2023

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

This is a summary of inspection report.

Location			
Lease Road:			
Type	Access		
comment:			
Corrective Action	L		Date:
Overall Good: <input type="checkbox"/>			
Signs/Marker:			
Type	OTHER		
Comment:	Separator units include attached storage tanks. The sight glass located on the side of the units indicates the storage tanks are full of an unknown fluid. No form of labeling or markers are present to identify a potential hazard or the contents of the storage tanks.		
Corrective Action:			Date:
Type	BATTERY		
Comment:			
Corrective Action:			Date:
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:			Date:
Type	CONTAINERS		
Comment:	Chemical tanks		
Corrective Action:			Date:
Type	WELLHEAD		
Comment:			
Corrective Action:			Date:
Emergency Contact Number:			
Comment:	911/970-285-2615		
Corrective Action:			Date: _____
Good Housekeeping:			
Type	DEBRIS		
Comment:	Debris - please refer to photo log		
Corrective Action:			Date:
Overall Good: <input type="checkbox"/>			
Spills:			
Type	Area	Volume	
In Containment: No _____			
Comment: _____			
<input type="checkbox"/> Multiple Spills and Releases?			
Fencing/:			
Type	LOCATION		
Comment:	Barbed wire fence		

Corrective Action:		Date:	
Type	TANK BATTERY		
Comment:	Jersey barriers		
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:	Cattle panels around 2 of 9 wellheads		
Corrective Action:		Date:	

Equipment:

			corrective date
Type: Ancillary equipment	# 4		
Comment:	Chemical tanks		
Corrective Action:		Date:	
Type: Gas Meter Run	# 9		
Comment:			
Corrective Action:		Date:	
Type: Bradenhead	# 9		
Comment:	Pressure transducers located on all bradenhead. All bradenhead valves are accessible.		
Corrective Action:		Date:	
Type: Plunger Lift	# 9		
Comment:	All wells on plunger lift		
Corrective Action:		Date:	
Type: Bird Protectors	# 5		
Comment:	Bird protection on heated condensate tank needs maintenance		
Corrective Action:	Operators will prevent & minimize adverse impacts to wildlife resources.	Date:	09/11/2023
Type: Emission Control Device	# 1		
Comment:			
Corrective Action:		Date:	
Type: Horizontal Heated Separator	# 1		
Comment:			
Corrective Action:		Date:	
Type: Other	# 1		
Comment:	During inspection observed gas bubbling up from conductor on MCU 26-4A well. Please refer to Inspector comment section of FIR for more detail. Also refer to Form 4 sundry notice document # 403446072 submitted on 06/27/2023 & approved on 8/31/2023.		
Corrective Action:		Date:	
Type: Vertical Heated Separator	# 8		
Comment:			
Corrective Action:		Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS	
METHANOL	1	1000 GAL	STEEL AST		,	

Comment:		Centralized containment					
Corrective Action:						Date:	
<u>Paint</u>							
Condition	Adequate						
Other (Content)							
Other (Capacity)							
Other (Type)							
<u>Berms</u>							
Type	Capacity		Permeability (Wall)		Permeability (Base)		Maintenance
Comment:							
Corrective Action:						Date:	
Contents	#	Capacity	Type		Tank ID	SE GPS	
CONDENSATE	2	500 BBLs	STEEL AST			,	
Comment:		Centralized containment					
Corrective Action:						Date:	
<u>Paint</u>							
Condition	Adequate						
Other (Content)							
Other (Capacity)							
Other (Type)							
<u>Berms</u>							
Type	Capacity		Permeability (Wall)		Permeability (Base)		Maintenance
Comment:							
Corrective Action:						Date:	
Contents	#	Capacity	Type		Tank ID	SE GPS	
CONDENSATE	2	500 BBLs	HEATED STEEL AST			,	
Comment:		Centralized containment					
Corrective Action:						Date:	
<u>Paint</u>							
Condition	Adequate						
Other (Content)							
Other (Capacity)							
Other (Type)							
<u>Berms</u>							
Type	Capacity		Permeability (Wall)		Permeability (Base)		Maintenance
Metal	Inadequate		Walls Insufficient		Base Sufficient		Inadequate
Comment:		Secondary containment liner 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: 09/24/2023	

Inspected Facilities									
Facility ID:	285965	Type:	WELL	API Number:	045-12594	Status:	PR	Insp. Status:	PR
Producing Well									
Comment:	Producing, well on plunger lift								
Corrective Action:						Date:			
Facility ID:	429475	Type:	WELL	API Number:	045-21601	Status:	PR	Insp. Status:	PR
Producing Well									
Comment:	Producing, well on plunger lift								
Corrective Action:						Date:			
Facility ID:	429476	Type:	WELL	API Number:	045-21602	Status:	PR	Insp. Status:	PR
Producing Well									
Comment:	Producing, well on plunger lift								
Corrective Action:						Date:			
Facility ID:	429477	Type:	WELL	API Number:	045-21603	Status:	PR	Insp. Status:	PR
Producing Well									
Comment:	Producing, well on plunger lift								
Corrective Action:						Date:			
Facility ID:	429478	Type:	WELL	API Number:	045-21604	Status:	PR	Insp. Status:	PR
Producing Well									
Comment:	Producing, well on plunger lift								
Corrective Action:						Date:			
Facility ID:	429479	Type:	WELL	API Number:	045-21605	Status:	PR	Insp. Status:	PR
Producing Well									
Comment:	Producing, well on plunger lift								
Corrective Action:						Date:			
Facility ID:	429480	Type:	WELL	API Number:	045-21606	Status:	PR	Insp. Status:	PR
Producing Well									
Comment:	Producing, well on plunger lift								
Corrective Action:						Date:			
Facility ID:	429481	Type:	WELL	API Number:	045-21607	Status:	PR	Insp. Status:	PR
Producing Well									
Comment:	Producing, well on plunger lift								
Corrective Action:						Date:			

Facility ID:	429482	Type:	WELL	API Number:	045-21608	Status:	PR	Insp. Status:	PR
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Producing Well

Comment: Producing, well on plunger 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
Rip Rap						
Retention Ponds						
		Gravel				Sparse
		Culverts				
Gravel						Sparse in some areas
		Compaction				
				Material Handling And Spill Prevention		Chemical tank containments
		Ditches				
Compaction						Areas of light compaction

Comment: Location appears to have some gravel throughout the location with light compaction. Places with sparse to no gravel are present on location. Sparse gravel and light compaction could lead to future stabilization and tracking issues.

Corrective Action:

Date: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
Please refer to Equipment & Tanks & Berms for observed compliance issues.	smelserw	09/04/2023
During inspection observed gas bubbling up from conductor on MCU 26-4A well. At approximately 11:25 hours I called Caerus operations control & spoke with Wayne McDowell & informed him of the observed compliance issue & that I was issuing a 24 hour corrective action. At approximately 11:32 hours I received a call from Caerus field supervisor Scott Mueller & he informed me that the operator was aware of the issue & had filed a Form 4 sundry notice to pipe the MCU 26-4A well bradenhead to the combuster on location & thus alleviate the observed compliance issue. Scott said the Form 4 sundry had been approved the previous day. They planned on possibly starting work on fixing the issue within the next week or so. At approximately 11:39 hours I spoke with supervisor Shaun Kellerby & was advised that as long as I was able to locate & verify the sundry information that no corrective action needed to be issued at this time. At approximately 11:51 hours I called Scoot Mueller with Caerus & informed him of what supervisor Kellerby & I had discussed. Please refer to Form 4 sundry notice document # 403446072 submitted on 06/27/2023 & approved on 8/31/2023.		

Attached Documents

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

Document Num	Description	URL
708901532	Inspection 708901531 photo log	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6240727
708901533	Inspection 708901531 Stormwater photo log	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6240728