

**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:

08/28/2023

Submitted Date:

08/30/2023

Document Number:

708901477

FIELD INSPECTION FORMLoc ID 334853 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:**

31 Number of Comments

6 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 oilandgas.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
211312	WELL	PR	09/01/2021	GW	045-07071	BENNETT 32-7 (G32NE)	PR
259285	WELL	PR	06/01/2002	GW	045-07701	SHIDELER 32-1 (G32NE)	PR
259286	WELL	PR	10/01/2021	GW	045-07702	SHIDELER 32-6 (G32NE)	PR
259287	WELL	PR	05/01/2023	GW	045-07703	SHIDELER 32-2 (G32NE)	PR

General Comment:**CECMC Inspection Report Summary**On 08/28/2023 at approximately 11:16 hours, I, Compliance Specialist, Wayne Smelser
Conducted an on-site inspection at CAERUS PICEANCE LLC G32NE Pad.

Location # 334853 in Garfield County Colorado.

Location is approximately 28 yards from Mamm Creek.

Location is within Black Bear/High Priority/Density/NSO Habitat areas.

While there, I observed normal production operations.

During this inspection the following compliance issues were observed.

1. Equipment - Open ended load line with a CA date of 09/06/2023
2. Tanks & Berms - E & P waste in secondary containment with a CA date of 09/06/2023
3. Equipment - Bennett 32-7 well meter not calibrated annually with a CA date of 09/29/2023
4. Equipment - Flowline heating insulation open ended with a CA date of 09/06/2023
5. Housekeeping - Stained gravel in secondary containment with a CA date of 09/09/2023
6. Stormwater - Stockpiled soils on location/insufficient BMP's with a CA date of 09/14/2023

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: ☐

Signs/Marker:			
Type	BATTERY		
Comment:			
Corrective Action:		Date:	
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	WELLHEAD		
Comment:			
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
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:	
Type	OTHER		
Comment:	Stained gravel in secondary containment.		
Corrective Action:	Remove and properly dispose of all stained soils and gravel.	Date:	09/09/2023
Type	WEEDS		
Comment:	Small amount of weeds in secondary containment		
Corrective Action:		Date:	

Overall Good: ☐

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	WELLHEAD		
Comment:	Cattle panels		
Corrective Action:		Date:	

Equipment:				corrective date
Type: Horizontal Heated Separator	# 3			
Comment:				
Corrective Action:			Date:	
Type: Bradenhead	# 3			
Comment:	Pressure transducers located on all bradenhead. All bradenhead valves are accessible.			
Corrective Action:			Date:	
Type: Plunger Lift	# 2			
Comment:	Bennett 32-7 well is not on plunger lift Remaining 2 wells on plunger lift			
Corrective Action:			Date:	
Type: Gas Meter Run	# 1			
Comment:	Summit Midstream			
Corrective Action:			Date:	
Type: Gas Meter Run	# 1			
Comment:	Bennett 32-7 well meter not calibrated annually, cal card shows last calibration as 07/09/2021			
Corrective Action:	Calibrate gas metering equipment annually to comply with rule 430.d.(1).		Date:	09/29/2023
Type: Bird Protectors	# 3			
Comment:				
Corrective Action:			Date:	
Type: Other	# 2			
Comment:	Flowline heating insulation open ended			
Corrective Action:	Operators will prevent & minimize adverse impacts to wildlife resources.		Date:	09/06/2023
Type: Gas Meter Run	# 2			
Comment:				
Corrective Action:			Date:	
Type: Other	# 1			
Comment:	Open ended load line			
Corrective Action:	All load lines will be capped or plugged		Date:	09/06/2023

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS	
METHANOL	1	<50 BBLS	STEEL AST		,	

Comment:		Centralized containment					
Corrective Action:						Date:	
<u>Paint</u>							
Condition	Adequate						
Other (Content)							
Other (Capacity)		500 gal					
Other (Type)							
<u>Berms</u>							
Type	Capacity		Permeability (Wall)		Permeability (Base)		Maintenance
Comment:							
Corrective Action:						Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS		
CONDENSATE	1	300 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
Metal							
Comment:		Containment liner showing signs of deterioration					
Corrective Action:						Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS		
CONDENSATE	1	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
Metal	Adequate		Walls Sufficient		Base Sufficient		Inadequate
Comment:		E & P waste in secondary containment					
Corrective Action:		Operators will ensure that E&P Waste is properly stored, handled, transported, treated, recycled, or disposed				Date: 09/06/2023	

Contents	#	Capacity	Type	Tank ID	SE GPS	
METHANOL	1	1000 GAL	STEEL AST		,	
Comment:	Centralized containment					
Corrective Action:					Date:	
Paint						
Condition	Adequate					
Other (Content)						
Other (Capacity)						
Other (Type)						
Berms						
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance		
Comment:						
Corrective Action:					Date:	
Venting:						
Yes/No	NO					
Comment:						
Corrective Action:					Date:	
Flaring:						
Type						
Comment:						
Corrective Action:					Date:	

Inspected FacilitiesFacility ID: 211312 Type: WELL API Number: 045-07071 Status: PR Insp. Status: PR**Producing Well**Comment: Producing, well is not on plunger lift

Corrective Action:

Date:

Facility ID: 259285 Type: WELL API Number: 045-07701 Status: PR Insp. Status: PR**Producing Well**Comment: Producing, well on plunger lift

Corrective Action:

Date:

Facility ID: 259286 Type: WELL API Number: 045-07702 Status: PR Insp. Status: PR**Producing Well**Comment: Producing, well on plunger lift

Corrective Action:

Date:

Facility ID: 259287 Type: WELL API Number: 045-07703 Status: PR Insp. Status: PR**Idle Well**Purpose: ☐ Shut In☐ Temporarily Abandoned

Reminder: _____

Comment: PA

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
Other	Fail					Stockpiled soils/insufficient BMP's
Gravel						Sparse
		Gravel				Sparse
		Compaction				Areas with light compaction
Retention Ponds						
Ditches						
Compaction						Areas with light compaction
Berms						

Comment: 1. Stockpiled soils on location/insufficient BMP's

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. BMPs shall be maintained until the facility is abandoned and final reclamation is achieved.

Date: 09/14/2023

Pits: ☒ NO SURFACE INDICATION OF PIT**COGCC Comments**

Comment	User	Date
Please refer to Housekeeping, Equipment, Tanks & Berms & Stormwater for observed compliance issues.	smelserw	08/29/2023

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

Document Num	Description	URL
403516554	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6237895
708901478	Inspection 708901477 Stormwater photo log	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6237888
708901479	Inspection 708901477 photo log	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6237889