

**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:

11/14/2023

Submitted Date:

11/20/2023

Document Number:

696205424

FIELD INSPECTION FORM

Loc ID 478266	Inspector Name: Trujillo, Aaron	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____	Status Summary: <input checked="" type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED Findings: 16 Number of Comments 7 Number of Corrective Actions <input checked="" type="checkbox"/> Corrective Action Response Requested
Operator Information: OGCC Operator Number: 10456 Name of Operator: CAERUS PICEANCE LLC Address: 1001 17TH STREET #1600 City: DENVER State: CO Zip: 80202				ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE

Contact Information:			
Contact Name	Phone	Email	Comment
,		COGCC.inspections@caerus oilandgas.com	All Inspections

Inspected Facilities:							
Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
478246	WELL	AP	10/17/2022	LO	045-24364	BJU M23A FED 26A-22-496	CI
478247	WELL	DG	08/21/2023	LO	045-24365	BJU M23A FED 13B-22-496	CI
478248	WELL	DG	10/03/2023	LO	045-24366	BJU M23A FED 24A-22-496	CI
478249	WELL	DG	10/11/2023	LO	045-24367	BJU M23A FED 24D-23-496	CI
478250	WELL	AP	10/17/2022	LO	045-24368	BJU M23A FED 24B-22-496	CI
478251	WELL	AP	10/17/2022	LO	045-24369	BJU M23A FED 15B-23-496	CI
478252	WELL	DG	09/15/2023	LO	045-24370	BJU M23A FED 13D-23-496	CI
478253	WELL	DG	08/02/2023	LO	045-24371	BJU M23A FED 12C-23-496	CI
478254	WELL	AP	10/17/2022	LO	045-24372	BJU M23A FED 25A-23-496	CI
478255	WELL	DG	08/29/2023	LO	045-24373	BJU M23A FED 13C-23-496	CI
478256	WELL	AP	10/17/2022	LO	045-24374	BJU M23A FED 25B-22-496	CI
478257	WELL	AP	10/17/2022	LO	045-24375	BJU M23A FED 15A-23-496	CI
478258	WELL	DG	09/22/2023	LO	045-24376	BJU M23A FED 14A-23-496	CI
478259	WELL	AP	10/17/2022	LO	045-24377	BJU M23A FED 24D-22-496	CI
478260	WELL	AP	10/17/2022	LO	045-24378	BJU M23A FED 15C-23-496	CI
478261	WELL	DG	09/07/2023	LO	045-24379	BJU M23A FED 23D-22-496	CI
478262	WELL	AP	10/17/2022	LO	045-24380	BJU M23A FED 25B-23-496	CI
478263	WELL	AP	10/17/2022	LO	045-24381	BJU M23A FED 21B-26-496	CI

478264	WELL	AP	10/17/2022	LO	045-24382	BJU M23A FED 25C-23-496	CI
478265	WELL	AP	10/17/2022	LO	045-24383	BJU M23A FED 25C-22-496	CI
478266	LOCATION	AC			-	BJU M23A-496 Pad	CI
478267	WELL	DG	08/07/2023	LO	045-24384	BJU M23A FED 12A-23-496	CI
478268	WELL	AP	10/17/2022	LO	045-24385	BJU M23A FED 25D-22-496	CI
478269	WELL	DG	08/12/2023	LO	045-24386	BJU M23A FED 13A-23-496	CI
478270	WELL	AP	10/17/2022	LO	045-24387	BJU M23A FED 14D-23-496	CI
478271	WELL	DG	09/12/2023	LO	045-24388	BJU M23A FED 12B-23-496	CI
478272	WELL	DG	09/12/2023	LO	045-24389	BJU M23A FED 12D-23-496	CI
478273	WELL	AP	10/17/2022	LO	045-24390	BJU M23A FED 24C-22-496	CI

General Comment:

On 11/14/2023, Reclamation Specialist Trujillo conducted inspected Caerus Piceance LLC's BJU/M23A-496 Pad Location, in Garfield County, Colorado.

Ongoing drilling operations were observed at time of inspection.

This inspection is a follow-up to #696203996, #696205116 and #696205184 to document compliance with the following corrective actions:

- Location signage
- Material handling and spill prevention procedures
- Management of Drill Cuttings
- Form 2A Permit conditions / Stormwater

This inspection is also in response to Field Inspection Report Resolutions stating corrective actions have been completed.

It was observed in this inspection that the Location remains out of compliance with ECMC Rules, Corrective actions and Permit conditions.

The following new compliance issues were observed during this inspection:

- Form 2A posting requirements
- Material handling and spill prevention procedures
- Protection of topsoil

Refer to the "Construction" 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; The "Date of Discovery" is being provided as the corrective action date for all new observed compliance issues. Location will remain out of compliance until corrective action(s) has(have) been resolved and a follow up inspection will be conducted to ensure the compliance issues have been corrected to comply with ECMC rules.

LocationOverall Good: ☐

Signs/Marker:			
Type			
Comment:	<p>Previous inspections observed that signage has not been posted at the Location's entrance. Inspection required Operator to comply with Rule 605.a.</p> <p>It was observed in this inspection that signage has been posted at the Location entrance.</p> <p>Signage missing the Commission's assigned Oil and Gas Location identification number (ID #)</p>		
Corrective Action:	Comply with Rule 605.a	Date:	11/14/2023
Type			
Comment:	<p>Previous inspection noted that a copy of the approved Form 2A has been posted within the "Company Mans" trailer.</p> <p>It was observed in this inspection that the Location's Form 2A permit was no longer posted. Company man onsite was provided notice and indicated that a the permit was "thrown away" and new would be re-printed/re-posted.</p>		
Corrective Action:	Comply with Rule 406.c	Date:	11/14/2023

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Overall Good: ☐

Spills:			
Type	Area	Volume	
Comment:	<p>Previous inspections observed spills onto the southwestern working pad surface from materials spilled on surface. Inspection required Operator to clean spills.</p> <p>It was observed in this inspection that spills appeared to have been cleaned, however new material spills were observed.</p>		
Corrective Action:	Clean/remediate impacted soils due to materials spilled onto the working pad surface to table 915-1 standards; Comply with Rule 1002.f and implement proper materials handling and spill prevention procedures and practices.		Date: 11/14/2023

In Containment: No

Comment: Form 27 403520438 for cuttings management submitted. CA resolved.

☐ Multiple Spills and Releases?

Equipment:			corrective date
Type:	#		
Comment:	<p>Spill prevention/containment measures observed at equipment/tanks on the northwest end of the Location lack wildlife protection devices; wildlife mortality (rodent) observed within containment BMP at diesel tank.</p>		
Corrective Action:	Install or repair required wildlife protection measures.		Date: 11/14/2023

Venting:

Yes/No		
Comment:		
Corrective Action:		Date:

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Location Construction

Location ID: 478266 CDP:

Comment:

Corrective Action: Date:

Form 2A COAs:

Comment:

Corrective Action: Date:

Wildlife BMPs:

Comment:

Corrective Action: Date:

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
		Vehicle Trakcing	Yes

Comments: Erosion BMPs: Location entrance, on the south end of the Location.

Other BMPs:

Corrective Action: Date:

		Material Handling And Spill Prevention	Yes
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Comments: Erosion BMPs: Porta-john units staked, though it is noted that the portajohn on the northwest corner of the WPS is currently being balanced on 3 rocks. Unclear if unit is adequately stabilized.

Other BMPs:

Corrective Action: Date:

		Material Handling And Spill Prevention	Yes
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Comments: Erosion BMPs: Materials on the southwest end of the Location observed without proper covering.

Other BMPs:

Corrective Action: Comply with Rule 1002.f Date: 11/14/2023

WADDLES	Yes		
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Comments: Erosion BMPs: Erosion logs along perimeter of the Location's disturbance. Run-on controls. Base of topsoil stockpiles.

Other BMPs:

Corrective Action: Date:

BERMS	Yes		
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Comments: Erosion BMPs: Perimeter berm of the working pad areas

Other BMPs:

Corrective Action: Date:

			Yes
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Comments: Erosion BMPs: Water truck on site applying water to mitigate fugitive dust.

Other BMPs:

Corrective Action: _____ Date: _____

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Comments: Erosion BMPs: Hydromulch has degraded over large areas of the topsoil stockpiles on the Location, and is no longer in proper functioning condition.

Other BMPs:

Corrective Action: Comply with Rule 1002.f and 1002.c; install or repair required stormwater and erosion control measures in accordance with good engineering practices, and ensure controls are maintained in a proper functioning condition. Date: 11/14/2023
3

Comment: See "Comment #1" at the end of this report.

Corrective Action: Comply with Form 2A permit conditions and Rule 1002.f; install or repair required stormwater and erosion control measures in accordance with good engineering practices, and ensure controls are maintained in a proper functioning condition. **Date:** 07/20/2023

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:

Inspected Facilities				
Facility ID: <u>478246</u>	Type: <u>WELL</u>	API Number: <u>045-24364</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478247</u>	Type: <u>WELL</u>	API Number: <u>045-24365</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478248</u>	Type: <u>WELL</u>	API Number: <u>045-24366</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478249</u>	Type: <u>WELL</u>	API Number: <u>045-24367</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478250</u>	Type: <u>WELL</u>	API Number: <u>045-24368</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478251</u>	Type: <u>WELL</u>	API Number: <u>045-24369</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478252</u>	Type: <u>WELL</u>	API Number: <u>045-24370</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478253</u>	Type: <u>WELL</u>	API Number: <u>045-24371</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478254</u>	Type: <u>WELL</u>	API Number: <u>045-24372</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478255</u>	Type: <u>WELL</u>	API Number: <u>045-24373</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478256</u>	Type: <u>WELL</u>	API Number: <u>045-24374</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478257</u>	Type: <u>WELL</u>	API Number: <u>045-24375</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478258</u>	Type: <u>WELL</u>	API Number: <u>045-24376</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478259</u>	Type: <u>WELL</u>	API Number: <u>045-24377</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478260</u>	Type: <u>WELL</u>	API Number: <u>045-24378</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478261</u>	Type: <u>WELL</u>	API Number: <u>045-24379</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478262</u>	Type: <u>WELL</u>	API Number: <u>045-24380</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478263</u>	Type: <u>WELL</u>	API Number: <u>045-24381</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>
Facility ID: <u>478264</u>	Type: <u>WELL</u>	API Number: <u>045-24382</u>	Status: <u>AP</u>	Insp. Status: <u>CI</u>

Inspector Name: Trujillo, Aaron

Facility ID:	478265	Type:	WELL	API Number:	045-24383	Status:	AP	Insp. Status:	CI
Facility ID:	478266	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	CI
Facility ID:	478267	Type:	WELL	API Number:	045-24384	Status:	DG	Insp. Status:	CI
Facility ID:	478268	Type:	WELL	API Number:	045-24385	Status:	AP	Insp. Status:	CI
Facility ID:	478269	Type:	WELL	API Number:	045-24386	Status:	DG	Insp. Status:	CI
Facility ID:	478270	Type:	WELL	API Number:	045-24387	Status:	AP	Insp. Status:	CI
Facility ID:	478271	Type:	WELL	API Number:	045-24388	Status:	DG	Insp. Status:	CI
Facility ID:	478272	Type:	WELL	API Number:	045-24389	Status:	DG	Insp. Status:	CI
Facility ID:	478273	Type:	WELL	API Number:	045-24390	Status:	AP	Insp. Status:	CI

COGCC Comments

Comment	User	Date
Refer to document #696205117 for additional more drone imagery, and a more detailed review of the permit compliance issues.	trujilloam	11/20/2023

COMMENT #1

trujilloam

11/20/2023

Pursuant to Form 2A #402340830 Conditions of Approval ("COAs"), the pad will be constructed as designed and shown on the Construction Layout Drawings; Stormwater BMPs will be installed per details in the Stormwater Management Plan (SWMP) and as shown on the Construction Layout Drawings.

Inspection #696205116 observed that the Location has not been constructed as designed and shown by the Construction Layout Drawin (#402428071), and that the Location is out of compliance with Form 2A Permit Conditions.

Per the Construction Layout Drawing:

The 24" culvert to allow for stormwater discharge at the southern working pad surface and Location entrance to Sediment trap #1 has not been installed;

The two, 6" Flex Pipes to allow for stormwater discharge at the northern Location entrance has not been installed;

An "armor channel" to allow for stormwater discharge on the northeast end of the Location has not been installed;

Velocity checks (check dams) not observed within stormwater diversion ditch;

No armoring was observed within any channel, including the stormwater diversion ditch and sediment traps;

Operator states Sediment Trap #2 is to be constructed with a volume of 5,796 cubic feet, to manage runoff from 1.61 acres of the pad:

- Previous inspections noted that the sediment trap #2 has been constructed with a volume of 1,780 cubic feet, and is inadequate in size. Unable to find evidence that sediment trap #2 has been re-installed and constructed per good engineering practices and the construction layout drawing.

- The 3 sediment traps have not been constructed with an engineered inlet.

Sediment traps have been installed in a manner that retains stormwater; any stormwater discharge that would exceed the capacity of the traps would impact the topsoil stockpiles;

BMPs to minimize erosion and degradation from the cut and fill slopes remain missing or insufficient; unstabilized fine soils observed on the cut/fill.

It was observed in this inspection that corrective actions to comply with the Form 2A permit conditions have not been taken, or have been inadequate.

Attached Documents

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

Document Num	Description	URL
403602156	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6329780
696205425	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6329673