

**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:

12/07/2023

Submitted Date:

12/09/2023

Document Number:

708902455

FIELD INSPECTION FORM

Loc ID 334180 Inspector Name: Smelser, Wayne On-Site Inspection 2A Doc Num: _____

Status Summary:

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- 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:

- 29 Number of Comments
- 5 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 |
|-------------|------|--------|-------------|------------|-----------|------------------------|-------------|
| 249 | WELL | PR | 06/01/2023 | GW | 045-15468 | BATTLEMENT MESA 36-13D | PR |
| 250 | WELL | PR | 06/01/2023 | GW | 045-15469 | BATTLEMENT MESA 36-13B | PR |

General Comment:

CECMC Inspection Report Summary
On 12/07/2023 at approximately 11:48 hours, I, Compliance Specialist, Wayne Smelser Conducted an on-site inspection at CAERUS PICEANCE LLC Battlement Mesa 36L-795 pad. Location # 334180 in Garfield County Colorado. Location is within High Priority/Density/Black Bear/NSO Habitat areas. While there, I observed normal production operations.

During this inspection the following compliance issues were observed:

1. Signs/Marker - Methanol tank improperly labeled/lacks required information/has inaccurate information with a CA date of 01/08/2024
2. Signs/Marker - Wellhead lacks signage with a CA date of 01/08/2024
3. Signs/Marker - Production tank label damaged & some info illegible with a CA date of 01/08/2024
4. Equipment - PRV & rupture disc vent lines terminate in an unsafe manner with a CA date of 12/16/2023
5. Equipment - Open ended load lines with a CA date of 12/16/2023

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 ActionL | | Date: |
| Overall Good: <input type="checkbox"/> | | | |
| Signs/Marker: | | | |
| | Type TANK LABELS/PLACARDS | | |
| | Comment: Methanol tank improperly labeled/lacks required information/has inaccurate information | | |
| | Corrective Action: All Tanks with a capacity of 10 Barrels or greater will be labeled or posted with the following information: A. Name of Operator; B. Operator's emergency contact telephone number; C. Tank capacity; D. Tank contents; and E. NFPA label or equivalent globally harmonized label. | | Date: 01/08/2024 |
| | 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 TANK LABELS/PLACARDS | | |
| | Comment: Production tank label damaged & some info illegible | | |
| | Corrective Action: All Tanks with a capacity of 10 Barrels or greater will be labeled or posted with the following information: A. Name of Operator; B. Operator's emergency contact telephone number; C. Tank capacity; D. Tank contents; and E. NFPA label or equivalent globally harmonized label. | | Date: 01/08/2024 |
| | Type BATTERY | | |
| | Comment: | | |
| | Corrective Action: | | Date: |
| | Type WELLHEAD | | |
| | Comment: Wellhead lacks signage | | |
| | Corrective Action: A permanent sign will be conspicuously located at each wellhead | | Date: 01/08/2024 |
| Emergency Contact Number: | | | |
| | Comment: 911/866-580-9382 | | |
| | 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="text"/> | | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |
| Fencing/: | | | | |
| Type | SEPARATOR | | | |
| Comment: | Hog panels | | | |
| Corrective Action: | | | | Date: |
| Type | OTHER | | | |
| Comment: | Pig station - pipe rail fence | | | |
| Corrective Action: | | | | Date: |
| Type | TANK BATTERY | | | |
| Comment: | Hog panels | | | |
| Corrective Action: | | | | Date: |
| Type | WELLHEAD | | | |
| Comment: | Hog panels | | | |
| Corrective Action: | | | | Date: |
| Equipment: | | | | corrective date |
| Type: Other | | # 2 | | |
| Comment: | Open ended load lines | | | |
| Corrective Action: | All load lines will be capped or plugged | | | Date: <u>12/16/2023</u> |
| Type: Other | | # 2 | | |
| Comment: | PRV & rupture disc vent lines terminate in an unsafe manner | | | |
| Corrective Action: | Operators are responsible for ensuring that operations are conducted with due regard for the safety of employees, for the preservation and conservation of property, and for protecting and minimizing adverse impacts to public health, safety, welfare, the environment, and wildlife resources. | | | Date: <u>12/16/2023</u> |
| Type: Horizontal Heated Separator | | # 2 | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Type: Pig Station | | # 1 | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Type: Plunger Lift | | # 2 | | |
| Comment: | All wells on plunger lift | | | |
| Corrective Action: | | | | Date: |
| Type: Bird Protectors | | # 2 | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Type: Bradenhead | | # 2 | | |
| Comment: | No form of pressure monitoring equipment located on bradenheads. All bradenhead valves are accessible. | | | |

| | | | |
|---------------------|-----|-------|--|
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|----------------------|----------|-----------|---------|--------|
| METHANOL | 1 | 1000 GAL | STEEL AST | | , |
| Comment: | Separate containment | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|---------------------|---------------------|---------------------|-------------|
| Metal | | | | |
| Comment: | Snow in containment | | | |
| Corrective Action: | | | | Date: |

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|----------------------|----------|-----------|---------|--------|
| CONDENSATE | 1 | 400 BBLs | STEEL AST | | , |
| Comment: | Separate containment | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|---------------------|---------------------|---------------------|-------------|
| Metal | | | | |
| Comment: | Snow in containment | | | |
| Corrective Action: | | | | Date: |

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|----------------------|----------|-----------|---------|--------|
| CONDENSATE | 2 | 400 BBLs | STEEL AST | | , |
| Comment: | Separate containment | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

| | |
|------------------|--|
| Other (Capacity) | |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--|----------|---------------------|---------------------|-------------|
| Metal | | | | |
| Comment: Snow in containment | | | | |
| Corrective Action: | | | | Date: |

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|---|---|----------|-----------|---------|--------|
| CONDENSATE | 2 | 400 BBLs | STEEL AST | | , |
| Comment: Separate containment | | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--|----------|---------------------|---------------------|-------------|
| Metal | | | | |
| Comment: Snow in containment | | | | |
| Corrective Action: | | | | Date: |

Venting:

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

Flaring:

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

Inspected Facilities

Facility ID: 249 Type: WELL API Number: 045-15468 Status: PR Insp. Status: PR

Producing Well

Comment: Producing, well on plunger lift

Corrective Action:

Date:

Facility ID: 250 Type: WELL API Number: 045-15469 Status: PR Insp. Status: PR

Producing Well

Comment: Producing, well on plunger lift

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|-----------------------------------|
| | | Compaction | | | | Light compaction in some sections |
| | | Culverts | | | | |
| | | Gravel | | | | Sparse to none in some sections |
| | | Ditches | | | | |
| Compaction | | | | | | |

Comment:

Corrective Action:

Date: _____

Pits: NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| Please refer to Signs/Marker & Equipment for observed compliance issues. | smelserw | 12/09/2023 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---|---|
| 403619999 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6351303 |
| 708902456 | Inspection 708902455 Stormwater photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6351301 |
| 708902457 | Inspection 708902455 photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6351302 |