

**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:

01/05/2024

Submitted Date:

01/08/2024

Document Number:

696205503**FIELD INSPECTION FORM**

| | | | | |
|--|------------------------------------|---|-------------------|--|
| Loc ID 334619 | Inspector Name: Trujillo, Aaron | 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 Findings: 13 Number of Comments 2 Number of Corrective Actions <input checked="" type="checkbox"/> Corrective Action Response Requested |
| Operator Information: OGCC Operator Number: <u>10456</u> Name of Operator: <u>CAERUS PICEANCE LLC</u> Address: <u>1001 17TH STREET #1600</u> City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u> | | | | 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 |
|-------------|----------|--------|-------------|------------|-----------|---------------------|-------------|
| 264718 | WELL | PR | 03/01/2019 | GW | 045-08937 | DUMAS 14-16A(P14) | RI |
| 264719 | WELL | PR | 05/15/2003 | GW | 045-08941 | COUEY 23-1 (P14) | RI |
| 264720 | WELL | PR | 05/06/2003 | GW | 045-08940 | RANCH 14-10D (P14) | RI |
| 264721 | WELL | PR | 10/09/2008 | GW | 045-08939 | ROE 13-13B (P14) | RI |
| 264722 | WELL | PR | 03/01/2023 | GW | 045-08938 | DUMAS 14-16D (P14) | RI |
| 334619 | LOCATION | AC | | | - | DUMAS-67S93W 14SESE | RI |

General Comment:

On 1/5/2024, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Caerus Piceance LLC's DUMAS-67S93W14SESE location in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

- Subsidence issues and safety
- Unused equipment

Refer to the "Location" and "Reclamation" sections of this inspection report for additional details.

Refer to the photo-documentation of the observed compliance issues attached to this report.

Corrective Action date(s) provided will either be back-dated to when Operator should have been in compliance, or when Operator was initially observed to be out of compliance; 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; 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 | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | CONTAINERS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Sigange does not comport with current 605 requirements. | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 970-285-2615 / 911

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|--|-------|------------|
| Type | UNUSED EQUIPMENT | | |
| Comment: | Two pieces of pipe observed cut and left at the surface of the pad, next to the utility equipment on the northwest end of the Location. Pipe has not been properly capped to prevent wildlife access or removed. Unused flowline heating insulator observed improperly stored within the secondary containment measure of the battery facility. | | |
| Corrective Action: | Remove unused equipment. | Date: | 01/05/2024 |

Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Fencing/:**

| | | | |
|--------------------|--|-------|--|
| Type | OTHER | | |
| Comment: | Electrical equipment. Livestock panels | | |
| Corrective Action: | | Date: | |

Equipment:

| | | | |
|-----------------------------------|---|--|-----------------|
| Type: Horizontal Heated Separator | # | | corrective date |
| Comment: | A sinkhole ~1.5' wide and 2.5' deep had formed at the separator equipment on the northeast end of the Location. | | |

| | | | |
|--|-----------------------------|-------|------------|
| Corrective Action: | Repair subsidence/sinkhole. | Date: | 01/05/2024 |
| Until repairs have been made, implement and maintain protective measures (such as safety fence) to ensure people or wildlife don't fall into hole. | | | |

Tanks and Berms:

| | | | | | |
|--------------------|---|----------|-----------|---------|--------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| OTHER | 2 | 500 BBLS | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | | | | | |
|------------------|--------------------------------|--|--|--|--|
| Condition | | | | | |
| Other (Content) | Produced water, condensate mix | | | | |
| Other (Capacity) | | | | | |
| Other (Type) | | | | | |

Berms

| | | | | |
|---|----------|---------------------|---------------------|-------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Comment: Containment measures appeared to be in proper functioning condition at time of inspection. | | | | |
| Corrective Action: | | | | Date: |

Venting:

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

Flaring:

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

| Inspected Facilities | | | | | | | | | |
|----------------------|---------------|-------|-----------------|-------------|------------------|---------|-----------|---------------|-----------|
| Facility ID: | <u>264718</u> | Type: | <u>WELL</u> | API Number: | <u>045-08937</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| Facility ID: | <u>264719</u> | Type: | <u>WELL</u> | API Number: | <u>045-08941</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| Facility ID: | <u>264720</u> | Type: | <u>WELL</u> | API Number: | <u>045-08940</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| Facility ID: | <u>264721</u> | Type: | <u>WELL</u> | API Number: | <u>045-08939</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| Facility ID: | <u>264722</u> | Type: | <u>WELL</u> | API Number: | <u>045-08938</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| Facility ID: | <u>334619</u> | Type: | <u>LOCATION</u> | API Number: | <u>-</u> | Status: | <u>AC</u> | Insp. Status: | <u>RI</u> |

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: _____

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? Pass

Comment

No waste or debris observed on the interim or production areas of the Location.

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? In

Comment

See "Good Housekeeping". No unused or unneeded equipment observed on the interim areas of the Location.

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? Pass

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment

Anchors not observed on Location.

Corrective Action _____

Date _____

1003b. Area no longer in use? Pass Production areas stabilized ? _____
1003c. Compacted areas have been cross ripped? _____
1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____
Cuttings management: _____
1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? In
Production areas have been stabilized? _____ Segregated soils have been replaced? _____

RESTORATION AND REVEGETATIONCropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured Pass 80% Revegetation In

1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? _____

Comment Reclamation of areas not reasonably needed for production has been conducted. Vegetation throughout the majority of the interim areas is largely uniform with desirable plant species; species observed include Brome grass (Mountain, meadow), wheatgrass (western, crested, tall) and shrub species (Rabbitbrush).
There are areas of the stockpile berm on the northeast end of the Location that have not achieved uniform desirable vegetative establishment; though desirable species were observed, Undesirable Plant Species such as cheatgrass is dominant. Additional revegetation efforts may be necessary to ensure uniform desirable plant establishment is achieved.

Corrective Action _____ Date _____

Overall Interim Reclamation In Process

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: _____

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____

Debris removed _____ No disturbance /Location never built _____

Access Roads Regraded _____ Contoured _____ Culverts removed _____

Gravel removed _____

Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____

Compaction alleviation _____ Dust and erosion control _____

Non cropland: Revegetated 80% _____ Cropland: perennial forage _____

Weeds present _____ Subsidence _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____

TRANSECT RESULTS OF REFERENCE AREA% _____

TOTAL % OF DESIRABLE VEGETATION COVER _____

VEGETATIVE COVER _____

Comment:

Corrective Action: Date _____

Overall Final Reclamation _____ Well Release on Active Location ☐ Multi-Well Location ☐

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| | | | | | | |

Comment:

Corrective Action: Date: _____

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 |
|--------------|----------------------|---|
| 403647926 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6385158 |
| 696205504 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6385141 |