

**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:

01/22/2024

Submitted Date:

01/23/2024

Document Number:

696205556**FIELD INSPECTION FORM**Loc ID 324070 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10456Name of Operator: CAERUS PICEANCE LLCAddress: 1001 17TH STREET #1600City: DENVER State: CO Zip: 80202**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**12 Number of Comments3 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 |
|--------------|-------|---|---------------------------------|
| , | | COGCC.inspections@caerus oilandgas.com | All Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|-----------|----------------------|-------------|
| 89074 | WELL | PR | 10/09/2008 | GW | 045-07404 | MILLER 11-15 (O11W) | RI |
| 324070 | LOCATION | AC | | | - | MILLER-67S93W 11SWSE | RI |

General Comment:

On 1/22/2024, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater inspection at Caerus Piceance LLC's MILLER-67S93W/11SWSE location in Garfield County, Colorado.

The following compliance issues were observed during this inspection:

- Good Housekeeping
- Unmarked anchors

Refer to the "Location", "Reclamation" and "Stormwater" section 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 | CONTAINERS | | |
| Comment: | Methanol tanks | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Signage at well does not comport with current 605 Rules. | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 970-285-2615 / 911

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|--|-------|------------|
| Type | OTHER | | |
| Comment: | <p>FIR #707800330 observed the chemical containment BMP was full and required Operator to evacuate fluids win containments to provide adequate space in case of a spill. Operator submitted FIRR 403406630 stating was complete.</p> <p>It was observed in this inspection that the CA was resolved. It is noted however that BMP is filling with fluids and additional maintenance is advised to ensure BMP remains sufficient to contain a spill or release.</p> | | |
| Corrective Action: | | Date: | |
| Type | UNUSED EQUIPMENT | | |
| Comment: | Unused corrugated flex-tubing observed within the secondary containment BMP at the battery facility. | | |
| Corrective Action: | <p>Comply with 606 Rules.</p> <p>Date provided is not the date ECMC expects the Location to have met the CA; rather it is the date the compliance issue was observed.</p> | Date: | 01/22/2024 |
| Type | WEEDS | | |
| Comment: | Vegetation/Weed debris accumulation observed within the containment BMP at the battery facility. | | |
| Corrective Action: | <p>Comply with 606 Rules.</p> <p>Date provided is not the date ECMC expects the Location to have met the CA; rather it is the date the compliance issue was observed.</p> | Date: | 01/22/2024 |

Overall Good: ☐

| | | | |
|----------------|------|--------|--|
| Spills: | | | |
| Type | Area | Volume | |

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Tanks and Berms:**

| Contents | # | Capacity | Type | Tank ID | SE GPS | |
|--------------------|---|----------|-----------|---------|--------|-------|
| OTHER | 1 | 300 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 | |
| Comment: | Containment measure 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: | 89074 | Type: | WELL | API Number: | 045-07404 | Status: | PR | Insp. Status: | RI |
| Facility ID: | 324070 | Type: | LOCATION | API Number: | - | Status: | AC | Insp. Status: | RI |

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? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

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

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? Fail

Comment _____

Corrective Action _____

Date **01/22/2024****Anchors observed on Location missing required marking.****Comply with Rule 1003.a and 603.j****Date provided is not the date ECMC expects the Location to have met the CA; rather it is the date the compliance issue was observed.**

1003b. Area no longer in use? _____ 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? _____

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 _____ 80% Revegetation _____

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 Limited inspection due to winter conditions; no reclamation issues were apparent at time of inspection; Location has been reduced to areas reasonably needed for production; Vegetation that was visible appeared to be uniform and predominantly desirable perennial species; Noxious weeds not observed at time of inspection.

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Berms | | | | | | |
| Gravel | | | | | | |
| Compaction | | | | | | |
| Culverts | | | | | | |

Comment:

No immediate stormwater issues observed at time of inspections; BMPs appeared to be in proper functioning condition.

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 |
|--------------|-------------------|---|
| 696205557 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6403408 |