

**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:

01/25/2024

Submitted Date:

01/25/2024

Document Number:

708902882**FIELD INSPECTION FORM**

|  |                                   |   |                   |   |
|--|-----------------------------------|---|-------------------|---|
| Loc ID<br>311638   | Inspector Name:<br>Smelser, Wayne | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ | <b>Status Summary:</b><br><input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION<br><input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED<br><input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED |
| <b>Operator Information:</b><br>OGCC Operator Number: <u>10456</u><br>Name of Operator: <u>CAERUS PICEANCE LLC</u><br>Address: <u>1001 17TH STREET #1600</u><br>City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u> |                                   |   |                   | <b>Findings:</b><br><u>43</u> Number of Comments<br><u>2</u> Number of Corrective Actions<br><input checked="" type="checkbox"/> Corrective Action Response Requested   |
| <b>ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE</b>  |                                   |   |                   |   |

**Contact Information:**

| Contact Name    | Phone | Email                                     | Comment |
|-----------------|-------|---|---------|
| Kellerby, Shaun |       | shaun.kellerby@state.co.us                |         |
| Morris, Matthew |       | matthew.morris@state.co.us                |         |
| , Caerus        |       | COGCC.inspections@caerus<br>oilandgas.com |         |

**Inspected Facilities:**

| Facility ID | Type | Status | Status Date | Well Class | API Num   | Facility Name                   | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------------------------|-------------|
| 282774      | WELL | PR     | 12/01/2009  | GW         | 045-11838 | N. PARACHUTE MF07C-4<br>C04 696 | PR          |
| 282776      | WELL | PR     | 04/27/2007  | GW         | 045-11836 | N.PARACHUTE MF 13D<br>C04 696   | PR          |
| 282777      | WELL | PR     | 04/12/2007  | GW         | 045-11835 | N. PARACHUTE MF04D<br>CO4 696   | PR          |
| 282778      | WELL | PR     | 01/23/2006  | GW         | 045-11834 | N.PARACHUTE MF02C<br>C04 696    | PR          |
| 282779      | WELL | PR     | 01/23/2006  | GW         | 045-11833 | N.PARACHUTE MF08C<br>C04 696    | PR          |
| 282780      | WELL | PR     | 01/23/2006  | GW         | 045-11832 | N.PARACHUTE MF03A<br>C04 696    | PR          |
| 282781      | WELL | PR     | 11/30/2009  | GW         | 045-11831 | N. PARACHUTE MF06C-4<br>C04 696 | PR          |
| 282784      | WELL | PR     | 01/23/2006  | GW         | 045-11829 | N.PARACHUTE MF08A<br>CO4 696    | PR          |
| 282785      | WELL | PR     | 01/23/2006  | GW         | 045-11828 | N.PARACHUTE MF01C<br>CO4 696    | PR          |
| 282786      | WELL | PR     | 07/24/2009  | GW         | 045-11827 | N. PARACHUTE MF07A-4<br>CO4 696 | PR          |
| 284640      | WELL | PR     | 12/01/2009  | GW         | 045-12249 | N. PARACHUTE MF06B-4<br>CO4 696 | PR          |
| 295477      | WELL | PR     | 03/01/2010  | GW         | 045-15766 | N. PARACHUTE MF01C-4<br>CO4 696 | PR          |
| 295478      | WELL | PR     | 07/14/2011  | GW         | 045-15767 | N. PARACHUTE MF13D-31<br>C04 69 | PR          |

|        |      |    |            |    |           |                                 |    |
|--------|------|----|------------|----|-----------|---------------------------------|----|
| 295479 | WELL | PR | 02/20/2010 | GW | 045-15768 | N. PARACHUTE MF04B-3<br>CO4 696 | PR |
| 295480 | WELL | PR | 02/15/2010 | GW | 045-15769 | N. PARACHUTE MF03C-4<br>CO4 696 | PR |
| 295481 | WELL | PR | 01/14/2010 | GW | 045-15770 | N. PARACHUTE MF02C-4<br>CO4 696 | PR |
| 295482 | WELL | PR | 02/10/2010 | GW | 045-15771 | N. PARACHUTE MF06A-4<br>CO4 696 | PR |
| 295483 | WELL | PR | 02/22/2010 | GW | 045-15772 | N. PARACHUTE MF02B-4<br>CO4 696 | PR |
| 295487 | WELL | PR | 01/13/2010 | GW | 045-15777 | N. PARACHUTE MF13C-31<br>CO4 69 | PR |

**General Comment:**[CECMC Inspection Report Summary](#)

On 01/25/2024 at approximately 13:52 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection at CAERUS PICEANCE LLC N. PARACHUTE MF07C-4 CO4 696 Pad.

Location # 311638 in Garfield County Colorado.

Location is within High Priority/Density/Black Bear Habitat areas & in close proximity to NSO Habitat area.

Location is within Rule 411b Generalized Intermediate Buffer.

Location is approximately 191 yards from Parachute Creek.

While there, I observed normal production operations.

During this inspection the following compliance issues were observed:

1. Housekeeping - Multiple holes on location/safety issue/personnel & wildlife hazards with a CA date of 01/26/2024
2. Equipment - Mechanical Condition - Open valves leaking gas on 2 wellheads with a CA date of 01/26/2024

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**

|                    |        |       |  |
|--------------------|--------|-------|--|
| <b>Lease Road:</b> |        |       |  |
| Type               | Access |       |  |
| comment:           |        |       |  |
| Corrective Action  | L      | Date: |  |

Overall Good: ☐

|                      |                      |       |  |
|----------------------|----------------------|-------|--|
| <b>Signs/Marker:</b> |                      |       |  |
| Type                 | OTHER                |       |  |
| Comment:             | Blowdown tank        |       |  |
| Corrective Action:   |                      | Date: |  |
| Type                 | TANK LABELS/PLACARDS |       |  |
| Comment:             |                      |       |  |
| Corrective Action:   |                      | Date: |  |
| Type                 | WELLHEAD             |       |  |
| Comment:             |                      |       |  |
| Corrective Action:   |                      | Date: |  |
| Type                 | CONTAINERS           |       |  |
| Comment:             | Chemical tanks       |       |  |
| Corrective Action:   |                      | Date: |  |
| Type                 | OTHER                |       |  |
| Comment:             | Sign on lease road   |       |  |
| Corrective Action:   |                      | Date: |  |

Emergency Contact Number:

Comment: 911/970-285-2615

Corrective Action:

Date: \_\_\_\_\_

**Good Housekeeping:**

|                    |  |       |            |
|--------------------|--|-------|------------|
| Type               | OTHER  |       |            |
| Comment:           | Multiple holes on location/safety issue/personnel & wildlife hazard<br><br>At approximately 15:24 hours called Romana Cowden with Caerus & informed her of the observed compliance issue & that I was issuing a 24 hour corrective action. At approximately 17:07 hours I emailed Romana to follow up on the earlier phone conversation. |       |            |
| 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: | 01/26/2024 |
| Type               | DEBRIS   |       |            |
| Comment:           | Debris - please refer to photo log   |       |            |
| Corrective Action: |  | Date: |            |

Overall Good: ☐

|                |      |        |  |  |
|----------------|------|--------|--|--|
| <b>Spills:</b> |      |        |  |  |
| Type           | Area | Volume |  |  |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

| <b>Equipment:</b>         |  | corrective date  |
|---------------------------|--|------------------|
| Type: Gas Meter Run       | # 19   |                  |
| Comment:                  | Gas lift   |                  |
| Corrective Action:        |  | Date:            |
| Type: Plunger Lift        | # 19   |                  |
| Comment:                  | All wells on plunger lift  |                  |
| Corrective Action:        |  | Date:            |
| Type: Gas Meter Run       | # 19   |                  |
| Comment:                  | Sales  |                  |
| Corrective Action:        |  | Date:            |
| Type: Other               | # 1  |                  |
| Comment:                  | Telemetry  |                  |
| Corrective Action:        |  | Date:            |
| Type: Ancillary equipment | # 3  |                  |
| Comment:                  | Chemical tanks   |                  |
| Corrective Action:        |  | Date:            |
| Type: Bradenhead          | # 19   |                  |
| Comment:                  | MF13C-31, MF04B-3, MF03C-4, MF06B-4, MF07A-4, MF07C-4 & MF03A wells have no form of pressure monitoring equipment located on bradenheads, bradenhead valves are accessible.<br><br>Remaining 12 wells have Taylor plugs located on bradenheads, bradenhead valves are accessible.  |                  |
| Corrective Action:        |  | Date:            |
| Type: Ancillary equipment | # 3  |                  |
| Comment:                  | Thermoelectric generators  |                  |
| Corrective Action:        |  | Date:            |
| Type: Deadman # & Marked  | # 3  |                  |
| Comment:                  | 1 deadman marked & 2 deadman improperly marked<br><br>Please refer to photo log  |                  |
| Corrective Action:        |  | Date:            |
| Type: Other               | # 2  |                  |
| Comment:                  | Open valves on wellheads leaking gas<br><br>At approximately 14:15 hours observed valves open & leaking gas on the MF04B-3 & MF07A-4 wellheads. Drove back to entrance gate to use phone & contact Caerus, at approximately 14:23 hours spoke with Steve in gas control. Informed him of the observed compliance issues & further informed him I would drive back & wait on location for Caerus personnel to arrive & shut valves. Caerus employee arrived at approximately 14:40 hours & shut valves on wellheads. At approximately 15:24 hours called Romana Cowden with Caerus & informed her of the observed compliance issue. At approximately 17:07 hours I emailed Romana to follow up on the earlier phone conversation. |                  |
| Corrective Action:        | All Production Facilities, valves, pipes, fittings, and vessels will be securely fastened or sealed, inspected at regular intervals, and maintained in good mechanical condition.  | Date: 01/26/2024 |

**Tanks and Berms:**

| Contents                               | # | Capacity | Type      | Tank ID | SE GPS |  |
|--|---|----------|-----------|---------|--------|--|
| CONDENSATE                             | 1 | OTHER    | STEEL AST |         | ,      |  |
| Comment: <a href="#">Blowdown tank</a> |   |          |           |         |        |  |
| Corrective Action:                     |   |          |           |         | Date:  |  |

**Paint**

|                  |          |  |
|------------------|----------|--|
| Condition        | Adequate |  |
| Other (Content)  |          |  |
| Other (Capacity) | 120 bbl  |  |
| Other (Type)     |          |  |

**Berms**

| Type   | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--|----------|---------------------|---------------------|-------------|
| Metal  | Adequate |                     |                     |             |
| Comment: <a href="#">Tank containment damaged/buckling - please refer to photo log</a> |          |                     |                     |             |
| Corrective Action:   |          |                     |                     | Date:       |

**Venting:**

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

**Flaring:**

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

| Inspected Facilities  |            |                       |            |                  |
|---|------------|-----------------------|------------|------------------|
| Facility ID: 282774   | Type: WELL | API Number: 045-11838 | Status: PR | Insp. Status: PR |
| <b>Idle Well</b>  |            |                       |            |                  |
| Purpose: <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned Reminder: _____ |            |                       |            |                  |
| Comment: Shut In  |            |                       |            |                  |
| Corrective Action: _____  |            |                       |            | Date: _____      |
| Facility ID: 282776   | Type: WELL | API Number: 045-11836 | Status: PR | Insp. Status: PR |
| <b>Producing Well</b>   |            |                       |            |                  |
| Comment: Producing, well on plunger & gas lift  |            |                       |            |                  |
| Corrective Action: _____  |            |                       |            | Date: _____      |
| Facility ID: 282777   | Type: WELL | API Number: 045-11835 | Status: PR | Insp. Status: PR |
| <b>Producing Well</b>   |            |                       |            |                  |
| Comment: Producing, well on plunger & gas lift  |            |                       |            |                  |
| Corrective Action: _____  |            |                       |            | Date: _____      |
| Facility ID: 282778   | Type: WELL | API Number: 045-11834 | Status: PR | Insp. Status: PR |
| <b>Producing Well</b>   |            |                       |            |                  |
| Comment: Producing, well on plunger & gas lift  |            |                       |            |                  |
| Corrective Action: _____  |            |                       |            | Date: _____      |
| Facility ID: 282779   | Type: WELL | API Number: 045-11833 | Status: PR | Insp. Status: PR |
| <b>Producing Well</b>   |            |                       |            |                  |
| Comment: Producing, well on plunger & gas lift  |            |                       |            |                  |
| Corrective Action: _____  |            |                       |            | Date: _____      |
| Facility ID: 282780   | Type: WELL | API Number: 045-11832 | Status: PR | Insp. Status: PR |
| <b>Producing Well</b>   |            |                       |            |                  |
| Comment: Producing, well on plunger & gas lift  |            |                       |            |                  |
| Corrective Action: _____  |            |                       |            | Date: _____      |
| Facility ID: 282781   | Type: WELL | API Number: 045-11831 | Status: PR | Insp. Status: PR |
| <b>Producing Well</b>   |            |                       |            |                  |
| Comment: Producing, well on plunger & gas lift  |            |                       |            |                  |
| Corrective Action: _____  |            |                       |            | Date: _____      |
| Facility ID: 282784   | Type: WELL | API Number: 045-11829 | Status: PR | Insp. Status: PR |

| Producing Well     |   |       |  |             |           |         |    |               |    |
|--------------------|---|-------|--|-------------|-----------|---------|----|---------------|----|
| Comment:           | Producing, well on plunger & gas lift       |       |  |             |           |         |    |               |    |
| Corrective Action: |   |       | Date:  |             |           |         |    |               |    |
|                    |   |       |  |             |           |         |    |               |    |
| Facility ID:       | 282785                                      | Type: | WELL   | API Number: | 045-11828 | Status: | PR | Insp. Status: | PR |
|                    |   |       |  |             |           |         |    |               |    |
| Producing Well     |   |       |  |             |           |         |    |               |    |
| Comment:           | Producing, well on plunger & gas lift       |       |  |             |           |         |    |               |    |
| Corrective Action: |   |       |  |             |           | Date:   |    |               |    |
|                    |   |       |  |             |           |         |    |               |    |
| Facility ID:       | 282786                                      | Type: | WELL   | API Number: | 045-11827 | Status: | PR | Insp. Status: | PR |
|                    |   |       |  |             |           |         |    |               |    |
| Idle Well          |   |       |  |             |           |         |    |               |    |
| Purpose:           | <input checked="" type="checkbox"/> Shut In |       | <input type="checkbox"/> Temporarily Abandoned |             | Reminder: |         |    |               |    |
| Comment:           | Shut In                                     |       |  |             |           |         |    |               |    |
| Corrective Action: |   |       |  |             |           | Date:   |    |               |    |
|                    |   |       |  |             |           |         |    |               |    |
| Facility ID:       | 284640                                      | Type: | WELL   | API Number: | 045-12249 | Status: | PR | Insp. Status: | PR |
|                    |   |       |  |             |           |         |    |               |    |
| Producing Well     |   |       |  |             |           |         |    |               |    |
| Comment:           | Producing, well on plunger & gas lift       |       |  |             |           |         |    |               |    |
| Corrective Action: |   |       |  |             |           | Date:   |    |               |    |
|                    |   |       |  |             |           |         |    |               |    |
| Facility ID:       | 295477                                      | Type: | WELL   | API Number: | 045-15766 | Status: | PR | Insp. Status: | PR |
|                    |   |       |  |             |           |         |    |               |    |
| Idle Well          |   |       |  |             |           |         |    |               |    |
| Purpose:           | <input checked="" type="checkbox"/> Shut In |       | <input type="checkbox"/> Temporarily Abandoned |             | Reminder: |         |    |               |    |
| Comment:           | Shut In                                     |       |  |             |           |         |    |               |    |
| Corrective Action: |   |       |  |             |           | Date:   |    |               |    |
|                    |   |       |  |             |           |         |    |               |    |
| Facility ID:       | 295478                                      | Type: | WELL   | API Number: | 045-15767 | Status: | PR | Insp. Status: | PR |
|                    |   |       |  |             |           |         |    |               |    |
| Idle Well          |   |       |  |             |           |         |    |               |    |
| Purpose:           | <input checked="" type="checkbox"/> Shut In |       | <input type="checkbox"/> Temporarily Abandoned |             | Reminder: |         |    |               |    |
| Comment:           | Shut In                                     |       |  |             |           |         |    |               |    |
| Corrective Action: |   |       |  |             |           | Date:   |    |               |    |
|                    |   |       |  |             |           |         |    |               |    |
| Facility ID:       | 295479                                      | Type: | WELL   | API Number: | 045-15768 | Status: | PR | Insp. Status: | PR |
|                    |   |       |  |             |           |         |    |               |    |
| Idle Well          |   |       |  |             |           |         |    |               |    |
| Purpose:           | <input checked="" type="checkbox"/> Shut In |       | <input type="checkbox"/> Temporarily Abandoned |             | Reminder: |         |    |               |    |
| Comment:           | Shut In                                     |       |  |             |           |         |    |               |    |
| Corrective Action: |   |       |  |             |           | Date:   |    |               |    |
|                    |   |       |  |             |           |         |    |               |    |
| Facility ID:       | 295480                                      | Type: | WELL   | API Number: | 045-15769 | Status: | PR | Insp. Status: | PR |

|                       |  |       |                 |   |
|-----------------------|--|-------|-----------------|---|
| <b>Producing Well</b> |  |       |                 |   |
| Comment:              | Producing, well on plunger & gas lift  |       |                 |   |
| Corrective Action:    |  |       | Date:           |   |
|                       |  |       |                 |   |
| Facility ID:          | 295481   | Type: | WELL            | API Number: 045-15770      Status: PR      Insp. Status: PR |
| <b>Producing Well</b> |  |       |                 |   |
| Comment:              | Producing, well on plunger & gas lift  |       |                 |   |
| Corrective Action:    |  |       | Date:           |   |
|                       |  |       |                 |   |
| Facility ID:          | 295482   | Type: | WELL            | API Number: 045-15771      Status: PR      Insp. Status: PR |
| <b>Producing Well</b> |  |       |                 |   |
| Comment:              | Producing, well on plunger & gas lift  |       |                 |   |
| Corrective Action:    |  |       | Date:           |   |
|                       |  |       |                 |   |
| Facility ID:          | 295483   | Type: | WELL            | API Number: 045-15772      Status: PR      Insp. Status: PR |
| <b>Producing Well</b> |  |       |                 |   |
| Comment:              | Producing, well on plunger & gas lift  |       |                 |   |
| Corrective Action:    |  |       | Date:           |   |
|                       |  |       |                 |   |
| Facility ID:          | 295487   | Type: | WELL            | API Number: 045-15777      Status: PR      Insp. Status: PR |
| <b>Idle Well</b>      |  |       |                 |   |
| Purpose:              | <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned |       | Reminder: _____ |   |
| Comment:              | Shut In  |       |                 |   |
| 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                      |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|------------------------------|
|                  |                 |                         |                       | Material Handling And Spill Prevention |                          | Chemical tank containments   |
| Compaction       |                 |                         |                       |  |                          |                              |
|                  |                 | Berms                   |                       |  |                          |                              |
| Berms            |                 |                         |                       |  |                          |                              |
|                  |                 | Gravel                  |                       |  |                          | Sparse to none               |
| Gravel           |                 |                         |                       |  |                          | Sparse to none in some areas |
|                  |                 | Compaction              |                       |  |                          | Light compaction in sections |

Comment: Places with sparse to no gravel & light compaction are present on lease road. Sparse to no gravel and light compaction could lead to future stabilization and tracking issues.

Limited Stormwater inspection due to snow.

Corrective Action:

Date: \_\_\_\_\_

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

**COGCC Comments**

| Comment  | User     | Date       |
|--|----------|------------|
| Please refer to Housekeeping & Equipment for observed compliance issues. | smelserw | 01/25/2024 |

**Attached Documents**

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

| Document Num | Description                               | URL   |
|--------------|---|---|
| 708902883    | Inspection 708902882 video 1              | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6407351">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6407351</a> |
| 708902884    | Inspection 708902882 video 2              | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6407352">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6407352</a> |
| 708902885    | Inspection 708902882 Stormwater photo log | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6407353">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6407353</a> |
| 708902886    | Inspection 708902882 Photo log            | <a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6407354">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6407354</a> |