

**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:

02/01/2024

Submitted Date:

02/04/2024

Document Number:

708902960

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:

- 27 Number of Comments
- 3 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 02/01/2024 at approximately 12:39 hours, I, Compliance Specialist, Wayne Smelser Conducted a follow up inspection at CAERUS PICEANCE LLC Battlement Mesa 36L-795 pad. Location # 334180 in Garfield County Colorado.
Please refer to inspection 708902455 conducted on 12/07/2023, 2 of the 5 previous corrective actions have not been completed.
Signs/Marker - Wellhead lacks required signage corrective action has not been completed & CA date remains 01/08/2024
Equipment - PRV & rupture disc vent lines terminate in an unsafe manner corrective action has not been completed & CA date remains 12/16/2023
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 - Wellhead lacks required signage with a CA date of 01/08/2024
2. Equipment - PRV & rupture disc vent lines terminate in an unsafe manner with a CA date of 12/16/2023
3. Equipment - Open ended load line with a CA date of 02/11/2024

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

| | | | |
|--------------------|--------|--|-------|
| Lease Road: | | | |
| Type | Access | | |
| comment: | | | |
| Corrective Action | | | Date: |

Overall Good:

| | | | |
|----------------------|--|--|------------------|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | Wellhead lacks required signage | | |
| Corrective Action: | Comply with CECMC signage rules | | 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 | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

| | | | |
|----------------------------------|------------------|--|-------------|
| 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:

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

In Containment: No _____

Comment: _____

Multiple Spills and Releases?

| | | | |
|--------------------|-------------------------------|--|-------|
| Fencing/: | | | |
| Type | OTHER | | |
| Comment: | Pig station - pipe rail fence | | |
| Corrective Action: | | | Date: |
| Type | WELLHEAD | | |
| Comment: | Hog panels | | |

| | | | |
|--------------------|--------------|-------|--|
| Corrective Action: | | Date: | |
| Type | TANK BATTERY | | |
| Comment: | Hog panels | | |
| Corrective Action: | | Date: | |
| Type | SEPARATOR | | |
| Comment: | Hog panels | | |
| Corrective Action: | | Date: | |

| | | | |
|-----------------------------------|--|-------|-----------------|
| Equipment: | | | corrective date |
| Type: Bradenhead | # 2 | | |
| Comment: | Unable to locate BH due to snow | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 2 | | |
| Comment: | All wells on plunger lift | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Pig Station | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Other | # 1 | | |
| Comment: | Open ended load line | | |
| Corrective Action: | All load lines will be capped or plugged | Date: | 02/11/2024 |
| Type: Bird Protectors | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Other | # 2 | | |
| Comment: | PRV & rupture disc vent lines terminate in an unsafe manner | | |
| Corrective Action: | Comply with CECMC general safety requirements & CECMC pressure safety device rules | Date: | 12/16/2023 |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|--|----------|-----------|---------|--------|
| CONDENSATE | 1 | 400 BBLs | STEEL AST | | , |
| Comment: | Separate containment Unable to verify telemetry | | | | |
| 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 |
|---|---|----------|-----------|---------|--------|
| 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 | 2 | 400 BBLs | STEEL AST | | , |
| Comment: Separate centralized containment Unable to verify telemetry | | | | | |
| 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: | Centralized containment Unable to verify telemetry | |
| 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---|
| | | Ditches | | | | |
| | | Gravel | | | | Sparse to none in visible areas |
| | | Compaction | | | | Large amount of light compaction in some sections |
| | | Culverts | | | | |

Comment: Places with sparse to no gravel & light compaction are present on lease road. Sparse/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 Signs/Marker & Equipment for observed compliance issues. | smelserw | 02/04/2024 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---|---|
| 403676071 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6418203 |
| 708902961 | Inspection 708902960 Stormwater photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6418197 |
| 708902963 | Inspection 708902960 photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6418198 |