

**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:

04/18/2024

Submitted Date:

04/22/2024

Document Number:

696205761

FIELD INSPECTION FORMLoc ID 335680 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

ECMC Operator Number: 10456

Name of Operator: CAERUS PICEANCE LLC

Address: 1001 17TH STREET #1600

City: 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 Comments

8 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
406	WELL	SI	11/01/2023	DSPW	045-15495	SGU CP01B-27 M23 49	RI
408	WELL	PR	07/01/2017	GW	045-15497	SGU CP12D-23 M23 49	RI
335680	LOCATION	AC			-	SGU-64S96W 23SWSW	RI

General Comment:

On 4/18/2024, Reclamation Specialist Trujillo conducted an interim reclamation and stormwater at Caerus Piceance LLC's SGU-64S96W/23SWSW Location in Garfield County, Colorado.

Location is within High Priority Habitat- Greater Sage Grouse Priority Habitat Management Area; Elk Production Area

The following compliance issues were observed during this inspection:

- Stormwater
- Tanks missing cap/plug
- Secondary Containment
- Anchors missing required Marking
- Battery Signage
- Good Housekeeping

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

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

Any corrective action(s) from previous inspection that have not been addressed are still applicable.

LocationOverall Good: ☐**Signs/Marker:**

Type	BATTERY		
Comment:	Signage not observed at tank battery facility on the north end of the Location.		
Corrective Action:	Comply with Rule 605.e	Date:	05/22/2024
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment: 970-285-2615 / 970-301-1319 / 911

Corrective Action: Date: **Good Housekeeping:**

Type	UNUSED EQUIPMENT		
Comment:	Trailer with unused equipment observed stored on the west end of the working pad surface.		
Corrective Action:	Comply with 606 Rules	Date:	04/29/2024
Type	UNUSED EQUIPMENT		
Comment:	Unused hose equipment observed stored on the north end of the Produced water tanks (next to wells).		
Corrective Action:	Comply with 606 Rules	Date:	04/29/2024

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Equipment:**

Type:	#		corrective date
Comment:	Ladder equipment at the tank battery has been pushed to its side. Maintenance advised.		
Corrective Action:		Date:	
Type:	#		
Comment:	3 produced water tanks observed stored within the central areas of the working pad surface; Lines at tanks missing required caps/plugs.		
Corrective Action:	Comply with Rule 603.i	Date:	04/29/2024

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS	
PRODUCED WATER	3				,	
Comment:						
Corrective Action:						Date:

Paint

Condition	
Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Other	Inadequate	Walls Insufficient		Inadequate
Comment:	The secondary containment measure at the 3 produced water tanks was observed to be inadequate to contain a spill or release; containment insufficient in size/capacity, and the berm along the west end of the containment measure is missing.			
Corrective Action:	Comply with Rule 603.o			Date: 05/06/2024

Venting:

Yes/No		
Comment:		
Corrective Action:		Date:

Flaring:

Type	
Comment:	
Corrective Action:	Date:

Inspected Facilities									
Facility ID:	406	Type:	WELL	API Number:	045-15495	Status:	SI	Insp. Status:	RI
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12									
Facility ID:	408	Type:	WELL	API Number:	045-15497	Status:	PR	Insp. Status:	RI
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12									
Facility ID:	335680	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	RI
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12									

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? FailComment Anchors observed missing required marking.Corrective Action Comply with Rule 1003.a and 603.jDate 05/22/2024

1003b. Area no longer in use? <u>In</u>	Production areas stabilized ? <u>In</u>
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? <u>In</u>	
Production areas have been stabilized? _____	Segregated soils have been replaced? <u>Fail</u>
RESTORATION AND REVEGETATION	
<u>Cropland</u>	
Top soil replaced _____	Recontoured _____ Perennial forage re-established _____
<u>Non-Cropland</u>	
Top soil replaced _____	Recontoured <u>Fail</u> 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? <u>I</u>	
Comment	<div style="border: 1px solid black; padding: 5px;">Noxious weeds not apparent at time of inspection. There are areas on the western interim that have not been contoured/graded/reclaimed per 1003 rules, where a posible road is evident and pipe equipment and stockpiled soils were observed. It is unclear as to what purpose the equipment serves on the Location.</div>
Corrective Action	<div style="border: 1px solid black; padding: 5px;">Submit within a FIRR, documentation detailing the current use of the pipe equipment remaining on the western interim areas of the Location.</div>
Date	<u>04/29/2024</u>
Overall Interim Reclamation	
<u>Final Reclamation/ Abandoned Location:</u>	
Date Final Reclamation Started: _____	Date Final Reclamation Completed: _____
Final Land Use: _____	
Reminder: _____	
Comment: <div style="border: 1px solid black; height: 20px;"></div>	
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:		Date
Corrective Action:		
Overall Final Reclamation	Well Release on Active Location <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>

Storm Water:

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

Comment:	It was observed in this inspection that runoff from the Location is resulting in erosion, degradation and sediment transport to areas on the west (interim) end of the Location. BMPs to manage runoff not evident.	Date: 04/24/2024
Corrective Action:	Comply with Rule 1002.f	

Pits: ☐ NO SURFACE INDICATION OF PIT

Permit:	Facility ID	Permit Num	Expiration Date
	414395	1630595	
	414395	1630595	

Attached Documents

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

Document Num	Description	URL
696205762	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6519005