

**FORM
INSP**Rev
X/15**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:

04/24/2020

Submitted Date:

04/27/2020

Document Number:

696201205**FIELD INSPECTION FORM**Loc ID _____ Inspector Name: _____ On-Site Inspection ☐
416157 _____ Trujillo, Aaron _____ 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:**11 Number of Comments2 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
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Arthur, Denise		denise.arthur@state.co.us	
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Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
416157	LOCATION	AC			-	Puckett 697-26A	RI
456518	LAND APPLICATION SITE	CL	10/09/2018		-	Puckett 697-26A land treatment	RI

General Comment:

On 4/24/2020, COGCC Reclamation Specialist Trujillo, and West Environmental Protection Specialist Arauz, conducted a joint interim reclamation, environmental and stormwater inspection, on Caerus Piceance's Puckett 697-26A location in Garfield County, Colorado.

It was observed in this inspection that the Location is out of compliance with 1003 interim reclamation requirements.

The following compliance issues were observed during this inspection:

1003.b: Interim reclamation

1002.f: Stormwater

Refer to the "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 inspections that have not been addressed are still applicable.

A follow up on this site inspection will be conducted to ensure the compliance issues have been corrected to comply with COGCC rules.

Inspected Facilities								
Facility ID:	<u>416157</u>	Type:	<u>LOCATION</u>	API Number: <u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>456518</u>	Type:	<u>LAND</u>	API Number: <u>-</u>	Status:	<u>CL</u>	Insp. Status:	<u>RI</u>

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

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

Land Use: OTHER, RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____

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? _____

Comment _____

Corrective Action _____

Date _____

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? _____ F _____

Comment [SEE "COGCC COMMENTS" FOR COMMENT REGARDING RECLAMATION](#)

Corrective Action [Comply with COGCC 1000 series rules and conduct interim reclamation and weed management.](#)

Date _____

Overall Interim Reclamation **Fail**

Final Reclamation/ Abandoned Location:

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

Final Land Use: OTHER, RANGELAND

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
Sediment Traps	Pass					@ location entrance
Waddles	Fail					Wattles on eastern perimeter
	Fail					Perimter BMPs missing
Berms	Fail					Berm @ cuttings
				Material Handling And Spill Prevention	Pass	Pota-John
Culverts	Pass					@ location entrance
	Fail					Northern Cutslope

Comment:

It was observed that BMPs on the Location are insufficient / have not been maintained in proper functioning condition, or missing. Cut slopes on the north end of the Location, and along the fill slopes remain exposed; No stabilization BMPs observed on the slopes. No BMPs along the western and southern perimeter of the disturbance area, including the topsoil pile observed. BMPs (wattles) observed on the east end of the location in disrepair. Evidence of stormwater ponding within large areas of the production pad. Portions of the berm separating the drill cuttings from the production area in disrepair.

Corrective Action:

Install or repair temporary BMPs on the Location until interim reclamation activities have been conducted, at which point long term controls will need to be installed.

Date: 05/11/2020

Pits: ☐ NO SURFACE INDICATION OF PIT**COGCC Comments**

Comment	User	Date
<p>RECLAMATION COMMENTS</p> <p>Records indicate all wells have been drilled and show as "producing" in 2017.</p> <p>Drill cuttings were observed throughout the Location and appear to have been onsite since drilling and completion operations concluded in Fall of 2017. The initial Form 27 (#401640503) for land treatment of the cuttings wasn't submitted until 5/24/2018, approximately 8 months after the last, "first date of production" for wells on the Location (9/24/2017).</p> <p>On 9/10/2018, Operator submitted a supplemental Form 27 (#401752256) requesting closure of the remediation project; Form 27 was approved, and Remediation Project #11653 was closed 10/9/2018 with the following conditions of approval:</p> <ul style="list-style-type: none"> -Operator shall submit Reclamation Plan via Form 4 Sundry Notice, per Rule 1003.e.(3), for review by COGCC Reclamation Specialist. -Operator shall submit Beneficial Reuse plan via Form 4 Sundry, per Rule 907.a.3, for COGCC approval of beneficial reuse of land-treated cuttings. -Operator shall conduct interim reclamation of 697-26A well pad (Location ID #416457) in accordance with COGCC 1000-Series reclamation requirements. <p>On 9/9/2019, 11 months after remediation was closed and reuse plan was requested, Operator submitted the beneficial reuse plan attached to Form 4 #402163214 per the COA; Unable to find records that Operator submitted a reclamation plan per COAs.</p> <p>Pursuant to Rule 907.e.(2)H, Land treatment shall be conducted in a manner that does not preclude compliance with reclamation rules 1003. Pursuant to Rule 1003.b, all disturbed areas affected by drilling or subsequent operations shall be reclaimed as early and as nearly as practicable to their original condition or their final land use, no later than six (6) months on non-crop land.</p> <p>It was observed in this inspection that this Location does not meet 1003 reclamation requirements; the last, "first date of production" for wells on the Location dates appears to be 9/24/2017; Interim reclamation pursuant to Rule 1003.b should have been conducted by 3/2018. Remediation activities on the Location have been closed since 10/2018. Unable to find evidence that interim reclamation activities have been conducted on the Location; Drill cuttings remain stored on areas of the north and south end of the Location; these areas do not appear to be needed for production activities and require reclamation. See attached photo documentation.</p> <p>It was also observed that Common Mullein has established on areas to the southeast, east and northeast ends of the Location. This is a Colorado State listed noxious weed and requires management</p>	trujilloam	04/27/2020

Attached Documents

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

Document Num	Description	URL
402382262	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5134151
696201206	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5134150