

FORM  
INSPRev  
X/15State of Colorado  
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203  
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

05/07/2020

Submitted Date:

05/12/2020

Document Number:

696201269

## FIELD INSPECTION FORM

 Loc ID 335618 Inspector Name: Trujillo, Aaron On-Site Inspection  2A Doc Num: \_\_\_\_\_
**Operator Information:**
 OGCC 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:**

- 6 Number of Comments  
2 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
Arauzo, Steven		steven.arauza@state.co.us	
Arthur, Denise		denise.arthur@state.co.us	
Fischer, Alex		alex.fischer@state.co.us	
, "		COGCC.inspections@caerus oilandgas.com	All Inspections

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
335618	LOCATION	AC			-	UNOCAL-ENCANA-66S96W 4NESW	RI

**General Comment:**

On 5/7/2020, Reclamation Specialist Trujillo conducted an interim reclamation inspection and stormwater inspection at Caerus Piceance LLC's Unocal-Encana-66S96W /4NESW location in Garfield County, Colorado.

This inspection is also in response to a request by the COGCC Environmental group regarding Caerus' Waste Management Plan, and Beneficial Reuse Plan #402379629, outlining the transport of an estimated 2000 cubic yards of surface drilling cuttings from the NPR O04-696 Pad (ID #414231) to the Unocal Pad; The surface drill cuttings will be transported in 500 cubic yard batches, and stored on the southwestern portion of the Unocal pad, and utilized as fill material during interim reclamation of the pad.

It was observed that this Location is currently out of compliance with 1003.b interim reclamation requirements, and weed management.

The following compliance issues were observed during this inspection:

- 1003.b: Interim reclamation of areas no longer in use.  
 1003.f: Weed Management.

Refer to the "Reclamation" section 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.

**Location**

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action:

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

**Good Housekeeping:**

Type

WEEDS

Comment:

In order to allow Operator the opportunity to separately address corrective action within a Resolution Form, the corrective action regarding 1003.f noxious weed management is being addressed within the "Good Housekeeping" section of this report. See "COGCC COMMENTS" for comments regarding observed weed issues.

Corrective Action:

Comply with Rule 1003.f

Date:

05/27/2020

Overall Good:

**Spills:**

Type

Area

Volume

In Containment: No

Comment:

Multiple Spills and Releases?

**Venting:**

Yes/No

Comment:

Corrective Action:

Date:

**Flaring:**

Type

Comment:

Corrective Action:

Date:

**Inspected Facilities**

Facility ID: 335618 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 \_\_\_\_\_

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? Pass

Comment [Anchors on Location have been marked in accordance with Rule 1003.a](#)

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1003b. Area no longer in use? Fail Production areas stabilized ? Pass  
 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 REVEGETATION

Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced Fail Recontoured Fail 80% Revegetation Fail

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 COMMENTS REGARDING INTERIM RECLAMATION

Corrective Action Comply with Rule 1003.b and conduct interim reclamation on areas no longer in use  
  
OR  
  
Submit a Form 4, 502.b variance request in accordance with the "Interim Reclamation Procedures for Delayed Operations"- Notice to Operators. In addition to the required documents per the NTO, Operator will also be required to submit figures of the Location showing the existing, post interim and final reclamation contours. COGCC approval of these figures will be required before transportation of surface cuttings.

Date 05/26/2020

Overall Interim Reclamation Fail

**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

**COGCC Comments**

Comment	User	Date
<p><b>RECLAMATION COMMENTS</b></p> <p>It was observed in this inspection that the Location is out of compliance with Rule 1003.b; The tanks on the west end of the Location have been removed leaving areas no longer needed for production subject to 1003 reclamation requirements.</p> <p>After internal review, it has been determined that due to the undefined drilling schedule and cutting disposition creating concerns with Rule 1003.b on the Unocal Location, Operator will be required to submit an Interim Reclamation Variance Request, and additional interim reclamation financial assurance, in accordance with the "Interim Reclamation Procedures for Delayed Operations" NTO, for the Unocal Location.</p> <p>Approval of the Beneficial Reuse Plan (Form 4 #402379629) and approval of surface cutting transport/storage will remain pending until variance request has been submitted, approved and additional bonding received.</p>	trujilloam	05/12/2020

**Attached Documents**

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

Document Num	Description	URL
402396530	INSPECTION SUBMITTED	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5148558">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5148558</a>
696201271	Inspection Photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5148557">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5148557</a>