

FORM
INSPRev
X/20State of Colorado
Oil and Gas Conservation Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109

Inspection Date:

04/18/2023

Submitted Date:

04/19/2023

Document Number:

698100287

FIELD INSPECTION FORM

 Loc ID 335359 Inspector Name: Arauza, Steven 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:

- 14 Number of Comments
 10 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 |
|------------------|-------|---------------------------------------|------------------------------|
| Middleton, Brett | | bmiddleton@caerusoilandgas.com | Sr. Environmental Specialist |
| , | | dnr_cogccenforcement@state.co.us | |
| Fischer, Alex | | alex.fischer@state.co.us | |
| Pesicka, Conor | | conor.pesicka@state.co.us | |
| O'Malley, Anna | | anna.omalley@state.co.us | |
| , | | COGCC.inspections@caerusoilandgas.com | All Inspections |
| Katz, Aaron | | aaron.katz@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-------------------|-------------|
| 257648 | WELL | PR | 05/01/2022 | GW | 045-07583 | KELL 35-3 | EI |
| 257660 | WELL | PR | 10/13/2004 | GW | 045-07585 | BENZEL 35-7 (C35) | EI |
| 257665 | WELL | PR | 10/13/2004 | GW | 045-07589 | KELL 35-6 (C35) | EI |
| 273777 | WELL | PR | 03/05/2005 | GW | 045-10283 | CRAIG 35-6A (C35) | EI |
| 273779 | WELL | PR | 03/04/2005 | GW | 045-10284 | CRAIG 35-5A (C35) | EI |
| 274937 | WELL | PR | 03/22/2005 | GW | 045-13440 | GMU 35-4A1(C35) | EI |

General Comment:

COGCC Environmental inspection. Weather conditions during inspection were cloudy skies with a temperature of 46 degrees Fahrenheit. Follow-up to 2/1/2023 COGCC Reclamation Unit Inspection, doc #702801210.

Two dead horses were observed on site during the inspection: a white horse in the reclaimed area at the northwest corner of the pad and a brown horse on the west side of the pad, south of the tank battery. See photos. COGCC EPS S. Arauza contacted the Operator on the inspection date to notify them of the dead livestock on location.

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

Refer to COGCC Reclamation Inspection doc #702801210 for corrective actions related to stabilization of the cut slope.

Location

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|-------|------------|
| Type | OTHER | | |
| Comment: | Two dead horses observed on pad. | | |
| Corrective Action: | Comply with Rule 606. | Date: | 05/19/2023 |
| Type | DEBRIS | | |
| Comment: | Trash, debris, and unused equipment observed throughout the pad. See photos. | | |
| Corrective Action: | Comply with Rule 606 | Date: | 05/03/2023 |
| Type | WEEDS | | |
| Comment: | Weeds and uncontrolled vegetation observed throughout pad. Notably in separator and wellhead areas. See photos. | | |
| Corrective Action: | Comply with Rule 606 | Date: | 05/03/2023 |

Overall Good:

Spills:

| Type | Area | Volume | |
|--------------------|---|----------|------------------|
| Lube Oil | WELLHEAD | <= 1 bbl | |
| Comment: | Localized accumulations of oily waste observed at wellheads for C35 Kell 35-3 and C35 Craig 35-6A. See photos. | | |
| Corrective Action: | Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Remove and properly dispose of oily waste. | | Date: 05/19/2023 |

In Containment: No

Comment:

Multiple Spills and Releases?

Equipment:

| Type | | | corrective date |
|----------------------|--|--|------------------|
| Horizontal Separator | # 4 | | |
| Comment: | Staining/discoloration observed at hammer union on south side of Kell 35-3 separator and gravel. See photos. | | |
| Corrective Action: | Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Remove and properly dispose of impacted waste. | | Date: 05/19/2023 |
| Other | # 3 | | |
| Comment: | Multiple wellheads (GMU 35-4A1, Craig 35-6A, and Craig 35-5A) have associated flowline risers configured with an uncapped 1/4" process pipe. See photos. | | |
| Corrective Action: | Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Submit description of the purpose of the process pipe on an FIRR. | | Date: 05/19/2023 |
| Vertical Separator | # 3 | | |
| Comment: | Fluid staining observed on west side of vertical separator for Craig 35-5A C35 well. | | |
| Corrective Action: | Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. | | Date: 05/19/2023 |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|----------|---|----------|-----------|---------|--------|
| OTHER | 2 | OTHER | STEEL AST | | |

| | | | | | |
|--------------------|---|--|--|-------|------------|
| Comment: | Localized accumulations of oily waste observed at manhole covers and bull plugs attached to both 300 bbl and 500 bbl ASTs. See photos. | | | | |
| Corrective Action: | Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Remove and properly dispose of oily waste. | | | Date: | 05/19/2023 |

Paint

| | |
|------------------|-----------------------|
| Condition | |
| Other (Content) | PW and CN |
| Other (Capacity) | 300 bbls and 500 bbls |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
|--------------------|--|---------------------|---------------------|-------------|------------|
| Metal | Adequate | | | | |
| Comment: | No tears or holes were observed in visible portion of tank battery secondary containment device on inspection date. South half of tank battery secondary containment area contained hydrocarbon-impacted fluids during inspection. See photos. | | | | |
| Corrective Action: | Remove and properly dispose of impacted fluids and oily waste. Comply with Rule 912.a.(2) and submit documentation of cleanup efforts on an FIRR per Rule 912.a.(5). | | | Date: | 05/19/2023 |

Venting:

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

Flaring:

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

Inspected Facilities

Facility ID: 257648 Type: WELL API Number: 045-07583 Status: PR Insp. Status: EI

Facility ID: 257660 Type: WELL API Number: 045-07585 Status: PR Insp. Status: EI

Facility ID: 257665 Type: WELL API Number: 045-07589 Status: PR Insp. Status: EI

Facility ID: 273777 Type: WELL API Number: 045-10283 Status: PR Insp. Status: EI

Facility ID: 273779 Type: WELL API Number: 045-10284 Status: PR Insp. Status: EI

Facility ID: 274937 Type: WELL API Number: 045-13440 Status: PR Insp. Status: EI

Environmental

Spill/Remediation:

Comment: [Operator has an approved Remediation Project \(#28552\) to document removal of flow line risers as required by a corrective action \(CA\) identified in COGCC inspection form #702801210. Risers appear to have been removed prior to inspection date.](#)

Corrective Action:

Date: _____

Emission Control Burner (ECB): _____

Comment:

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

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 the Location shows signs of lack of stabilization BMPs in some areas, as is evidenced by the presence of ruts. Tracking control BMPs to minimize/mitigate tracking and offsite sediment transport are missing or insufficient. See photos

See COGCC Reclamation Unit Field Inspection Report doc #702801210 for STORMWATER COMMENTS.

Corrective Action: Install or repair required BMPs per Rule 1002.f. Continue to monitor and manage stormwater on the Location. Ongoing stormwater management is required until the site receives a passing final inspection.

Date: 02/04/2023

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------------|---|
| 403378213 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6087190 |
| 698100288 | 20230418 field photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6087182 |