

**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:

05/15/2023

Submitted Date:

05/15/2023

Document Number:

708900484

FIELD INSPECTION FORMLoc ID 334797 Inspector Name: Smelser, Wayne 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:

25 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 |
|-----------------|-------|---|---------|
| , Caerus | | COGCC.inspections@caerus oilandgas.com | |
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------------|-------------|
| 211594 | WELL | PR | 10/01/2003 | GW | 045-07355 | COUEY 17-3 | PR |
| 275015 | WELL | PR | 10/01/2022 | GW | 045-13447 | COUEY 17-6A1 (C17E) | PR |
| 275017 | WELL | PR | 10/01/2022 | GW | 045-13448 | COUEY 17-3A (C17E) | PR |

General Comment:**COGCC Inspection Report Summary**

On 05/15/2023 at approximately 10:30 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection at CAERUS PICEANCE LLC C17E pad.

Location # 334797 in Garfield County Colorado.

Location is within High Priority/Density/Black Bear Habitat areas & within close proximity to NSO habitat area.

While there, I observed normal production operations.

During this inspection the following compliance issues were observed:

1. Stormwater - Failure to maintain chemical BMP with a CA date of 05/16/2023

I contacted Caerus at approximately 11:39 hours & spoke with Jack Barnes in the operations control center. I informed him that the chemical containment on location was full & further informed him I was issuing a 24 hour corrective action on it. He said they'd dispatch a truck & get it pulled asap.

2. Tanks & Berms - Containment needs maintenance with a CA date of 06/04/2023

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

This is a summary of inspection report.

Any corrective actions not addressed from previous inspections are still applicable.

Location**Lease Road:**

| | | | |
|-------------------|--------|-------|--|
| Type | Access | | |
| comment: | | | |
| Corrective Action | L | Date: | |

Overall Good: ☐**Signs/Marker:**

| | | | |
|--------------------|--|-------|--|
| Type | CONTAINERS | | |
| Comment: | Chemical tank | | |
| Corrective Action: | | Date: | |
| 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 | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 911/970-285-2615

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 | WELLHEAD | | |
| Comment: | Cattle panels | | |

| | | | |
|--------------------|------------------------|-------|--|
| Corrective Action: | | Date: | |
| Type | LOCATION | | |
| Comment: | Barbed wire | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Pig station - Bollards | | |
| Corrective Action: | | Date: | |
| Type | SEPARATOR | | |
| Comment: | Cattle panels | | |
| Corrective Action: | | Date: | |

Equipment:

| | | | |
|-----------------------------------|--|-------|-----------------|
| | | | corrective date |
| Type: Deadman # & Marked | # 4 | | |
| Comment: | 3 deadman marked & 1 deadman improperly marked All guy line anchors left buried for future use will be identified by a marker of bright color not less than 4 feet in height and not greater than 1 foot east of the guy line anchor. | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 1 | | |
| Comment: | Summit meter & meter house | | |
| Corrective Action: | | Date: | |
| Type: Pig Station | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 3 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Vertical Heated Separator | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 3 | | |
| Comment: | Pressure transducers located on all bradenheads, bradenhead valves are accessible. | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Chemical tank | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 3 | | |
| Comment: | All wells on plunger lift | | |
| Corrective Action: | | Date: | |

| | | |
|-----------------------|-----|-------|
| Type: Bird Protectors | # 2 | |
| Comment: | | |
| Corrective Action: | | Date: |

Tanks and Berms:

| | | | | | |
|--------------------|-------------------------|----------|-----------|---------|--------|
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| CONDENSATE | 2 | 300 BBLs | STEEL AST | | , |
| Comment: | Centralized containment | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | | |
|------------------|----------|--|
| Condition | Adequate | |
| Other (Content) | | |
| Other (Capacity) | | |
| Other (Type) | | |

Berms

| | | | | |
|--------------------|--|---------------------|---------------------|------------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Metal | Inadequate | Walls Insufficient | Base Sufficient | Inadequate |
| Comment: | Containment needs maintenance - multiple holes in secondary containment liner | | | |
| Corrective Action: | The liner will be sufficiently impervious so that any discharge from a primary containment system will not escape containment before cleanup occurs. | | | Date: 06/04/2023 |

Venting:

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

Flaring:

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

Inspected FacilitiesFacility ID: 211594 Type: WELL API Number: 045-07355 Status: PR Insp. Status: PR**Producing Well**Comment: Producing, well on plunger lift

Corrective Action:

Date:

Facility ID: 275015 Type: WELL API Number: 045-13447 Status: PR Insp. Status: PR**Producing Well**Comment: Producing, well on plunger lift

Corrective Action:

Date:

Facility ID: 275017 Type: WELL API Number: 045-13448 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 |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|----------------------------------|
| | | Gravel | | | | Sparse |
| | | Culverts | | | | |
| | | Compaction | | | | |
| Berms | | | | | | |
| | | Ditches | | | | |
| Compaction | | | | | | Areas with light compaction |
| | | | | Material Handling And Spill Prevention | Fail | Failure to maintain chemical BMP |
| Gravel | | | | | | Sparse in areas |

Comment: 1. Chemical containment full of fluid/Failure to maintain chemical BMP

I contacted Caerus at approximately 11:39 hours & spoke with Jack Barnes in the operations control center. I informed him that the chemical containment on location was full & further informed him I was issuing a 24 hour corrective action on it. He said they'd dispatch a truck & get it pulled asap.

Corrective Action: Operators shall implement BMPs in accordance with good engineering practices, including measures such as: Materials handling and spill prevention procedures and practices implemented for material handling and spill prevention of materials used, stored, or disposed of that could result in discharges causing pollution of surface waters.

Date: 05/16/2023

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| Please refer to Stormwater & Tanks & Berms for observed compliance issues. | smelserw | 05/15/2023 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---|---|
| 403403899 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6115131 |
| 708900485 | Inspection 708900484 Stormwater photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6115122 |
| 708900486 | Inspection 708900484 photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6115123 |