

**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:

06/06/2023

Submitted Date:

06/06/2023

Document Number:

708900680

FIELD INSPECTION FORM

| | | | | |
|--|-----------------------------------|---|-------------------|---|
| Loc ID 334864 | Inspector Name: Smelser, Wayne | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ | Status Summary: <input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> 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: 13 Number of Comments 1 Number of Corrective Actions <input checked="" type="checkbox"/> 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 |
|-----------------|-------|---|---------|
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |
| , Caerus | | COGCC.inspections@caerus oilandgas.com | |
| O'Malley, Anna | | anna.omalley@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 211085 | WELL | PR | 09/01/2020 | GW | 045-06843 | KRK 7-8 | PR |
| 260667 | WELL | PR | 06/07/2012 | GW | 045-07896 | KRK 7-2A (H7) | PR |
| 260668 | WELL | PR | 04/05/2002 | GW | 045-07897 | KRK 7-1A (H7) | PR |
| 260669 | WELL | PR | 07/01/2022 | GW | 045-07898 | KRK 7-7A (H7) | PR |
| 261362 | WELL | PR | 06/04/2003 | GW | 045-07947 | KRK 7-8A (H7) | PR |

General Comment:**COGCC Inspection Report Summary**

On 06/06/2023 at approximately 08:50 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection at CAERUS PICEANCE LLC H7 pad.

Location # 334864 in Garfield County Colorado.

Location is within High Priority/Density/Black Bear Habitat areas.

While there, I observed contractors with heavy equipment excavating a portion of the pad doing remediation work due to a previous spill from a failed dump line.

Please refer to Form 19 document # 402814115 & Form 27 document # 403348916 for further information.

All production equipment has been disconnected & wellheads appear to have been shut in & LOTO is in place.

During this inspection the following compliance issues were observed:

1. Stormwater - Multiple areas with stockpiled soils & no BMP's present with a CA date of 06/08/2023

At approximately 10:19 hours I contacted Caerus & spoke with Romana Cowden. I informed her about the stockpiled soils & lack of BMP's. I informed her I was issuing a 48 hour corrective action on the issue.

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.

Location**Lease Road:**

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

Overall Good: ☐**Emergency Contact Number:**

| | | | |
|--------------------|------------------|-------|--|
| Comment: | 911/970-285-2615 | Date: | |
| Corrective Action: | | | |

Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Venting:**

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

Flaring:

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

Inspected FacilitiesFacility ID: 211085 Type: WELL API Number: 045-06843 Status: PR Insp. Status: PR**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____Comment: Shut in

Corrective Action: _____ Date: _____

Facility ID: 260667 Type: WELL API Number: 045-07896 Status: PR Insp. Status: PR**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____Comment: Shut in

Corrective Action: _____ Date: _____

Facility ID: 260668 Type: WELL API Number: 045-07897 Status: PR Insp. Status: PR**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____Comment: Shut in

Corrective Action: _____ Date: _____

Facility ID: 260669 Type: WELL API Number: 045-07898 Status: PR Insp. Status: PR**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____Comment: Shut in

Corrective Action: _____ Date: _____

Facility ID: 261362 Type: WELL API Number: 045-07947 Status: PR Insp. Status: PR**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____Comment: Shut in

Corrective Action: _____ Date: _____

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

Please refer to photo log.

Multiple areas of surface disturbance, it appears the footprint of the pad has been increased. Multiple places where vegetation has been disturbed & soils have been transported into vegetated areas. Notified reclamation.

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? _____

Comment _____

Corrective Action _____ Date _____

Overall Interim Reclamation**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 ☐

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|-------------------------------------|
| | | Compaction | | | | |
| | | Culverts | | | | |
| Gravel | | | | | | Sparse |
| Compaction | | | | | | |
| | | Ditches | | | | |
| Other | Fail | | | | | Stockpiled soils/insufficient BMP's |
| | | Gravel | | | | Sparse |

Comment: Observed multiple areas with stockpiled soils & no BMP's present. I was informed by a contractor on location 2 of the stockpiles were clean dirt & 1 was contaminated soils from a previous spill.

At approximately 10:19 hours I contacted Caerus & spoke with Romana Cowden. I informed her about the stockpiled soils & lack of BMP's. I informed her I was issuing a 48 hour corrective action on the issue.

Corrective Action: Oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. BMPs shall be maintained until the facility is abandoned and final reclamation is achieved.

Date: 06/08/2023

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

| Comment | User | Date |
|--|----------|------------|
| Please refer to Stormwater for observed compliance issue. | smelserw | 06/06/2023 |
| I observed contractors with heavy equipment excavating a portion of the pad doing remediation work due to a previous spill from a failed dump line. Please refer to Form 19 document # 402814115 & Form 27 document # 403348916 for further information. | | |
| All production equipment has been disconnected & wellheads appear to have been shut in & LOTO is in place. | | |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---|---|
| 403425388 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6137897 |
| 708900681 | Inspection 708900680 Stormwater photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6137893 |
| 708900682 | Inspection 708900680 photo log | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6137894 |