

**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:

12/20/2019

Submitted Date:

12/30/2019

Document Number:

698100111

FIELD INSPECTION FORM

Loc ID: 334653 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:

- 10 Number of Comments
- 6 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 |
|------------------|-------|---------------------------------------|------------------------------|
| , | | COGCC.inspections@caerusoilandgas.com | All Inspections |
| Heil, John | | john.heil@state.co.us | |
| Middleton, Brett | | bmiddleton@caerusoilandgas.com | Sr. Environmental Specialist |
| Colby, Lou | | lou.colby@state.co.us | |
| Fischer, Alex | | alex.fischer@state.co.us | |
| , | | l rider@caerusoilandgas.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------------------|--------|-------------|------------|-----------|-------------------------|-------------|
| 270427 | WELL | PR | 01/01/2005 | GW | 045-09558 | CLEM 15-13 | EI |
| 298053 | WELL | PR | 07/18/2009 | GW | 045-17045 | CLEM JR. 15-7BB(PB-15) | EI |
| 298056 | WELL | PR | 07/14/2009 | GW | 045-17046 | CLEM JR. 15-3(PB-15) | EI |
| 298060 | WELL | PR | 07/05/2009 | GW | 045-17047 | CLEM JR. 15-6 (PB-15) | EI |
| 298061 | WELL | PR | 07/09/2009 | GW | 045-17048 | CLEM JR. 15-6BB(PB-15) | EI |
| 298062 | WELL | PR | 07/14/2009 | GW | 045-17049 | CLEM JR. 15-2BB(PB-15) | EI |
| 298393 | WELL | PR | 08/09/2009 | GW | 045-17181 | CLEM JR. 15-8 (PB-15) | EI |
| 298394 | WELL | PR | 08/07/2009 | GW | 045-17180 | CLEM JR. 15-7(PB-15) | EI |
| 298395 | WELL | PR | 08/12/2009 | GW | 045-17179 | CLEM JR. 15-1BB (PB-15) | EI |
| 298711 | WELL | PR | 07/02/2009 | GW | 045-17378 | CLEM JR. 15-3BB(PB-15) | EI |
| 470298 | SPILL OR RELEASE | AC | | | - | PB15 Dumpline Failure | EI |

General Comment:

COGCC Environmental Inspection. Follow-up to Spill/Release Report (doc #402266767) for Spill/Release Point ID #470298. Weather conditions during inspections were sunny with a temperature of approximately 30 degrees Fahrenheit.

Operator was relieved of 10-day Supplemental Reporting COA listed on Initial Spill/Release Report (doc #402266767) via a phone call on 12/19/2019. See Environmental section for revised supplemental reporting requirements.

Location

Overall Good:

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Overall Good:

| Spills: | | | | |
|--|----------|----------|--|------------------|
| Type | Area | Volume | | |
| PW/CN | WELLHEAD | <= 1 bbl | | |
| Comment: Localized accumulations of oil-stained soil observed beneath north side of PB Clem Jr. 15-6 wellhead and beneath south side of PB15 Clem Jr. 15-2BB wellhead. See photos. | | | | |
| Corrective Action: Control and contain spills/releases and clean up per Rule 906.a. | | | | Date: 01/30/2020 |

In Containment: No

Comment:

Multiple Spills and Releases?

| Equipment: | | | corrective date |
|--|-----|--|------------------|
| Type: Other | # 2 | | |
| Comment: Localized accumulations of oil-stained soil observed beneath north side of PB Clem Jr. 15-6 wellhead and beneath south side of PB15 Clem Jr. 15-2BB wellhead. See photos. | | | |
| Corrective Action: Securely fasten all valves, pipes, and fittings to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 605.d. | | | Date: 01/15/2020 |
| Type: Ancillary equipment | # 1 | | |
| Comment: 24 bbl methanol AST inside of tank battery secondary containment area. | | | |
| Corrective Action: | | | Date: |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| OTHER | 4 | 300 BBLS | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|-------------------------------|
| Condition | <input type="text"/> |
| Other (Content) | condensate and produced water |
| Other (Capacity) | |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|---|----------|---------------------|---------------------|------------------|
| Metal | Adequate | | | Inadequate |
| Comment: Pinhole observed in tank battery liner. Ends of liner panels were observed sticking up from bottom of containment area on inspection date. See photos. | | | | |
| Corrective Action: Repair or install berms or other secondary containment devices per Rule 605.a.(4). | | | | Date: 01/30/2020 |

Venting:

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

Flaring:

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

Inspected Facilities

| | | | | |
|----------------------------|-----------------------|------------------------------|-------------------|-------------------------|
| Facility ID: <u>270427</u> | Type: <u>WELL</u> | API Number: <u>045-09558</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>298053</u> | Type: <u>WELL</u> | API Number: <u>045-17045</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>298056</u> | Type: <u>WELL</u> | API Number: <u>045-17046</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>298060</u> | Type: <u>WELL</u> | API Number: <u>045-17047</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>298061</u> | Type: <u>WELL</u> | API Number: <u>045-17048</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>298062</u> | Type: <u>WELL</u> | API Number: <u>045-17049</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>298393</u> | Type: <u>WELL</u> | API Number: <u>045-17181</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>298394</u> | Type: <u>WELL</u> | API Number: <u>045-17180</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>298395</u> | Type: <u>WELL</u> | API Number: <u>045-17179</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>298711</u> | Type: <u>WELL</u> | API Number: <u>045-17378</u> | Status: <u>PR</u> | Insp. Status: <u>EI</u> |
| Facility ID: <u>470298</u> | Type: <u>SPILL OR</u> | API Number: <u>-</u> | Status: <u>AC</u> | Insp. Status: <u>EI</u> |

Environmental

Spills/Releases:

Type of Spill: _____ Estimated Spill Volume: _____

Comment: Operator's eForm 19 (Initial w/ Supplemental, doc #402266767) reported the release of approximately 102 bbls of produced water with condensate from a failed dump line. No updates have been received by the COGCC as of 12/30/2019.

Corrective Action: Operator shall submit a Supplemental eForm 19 to provide an update on the status of Spill/Release ID #470298, to document surface owner notification, and to provide Root Cause information (if available).

Date: 01/16/2020

Reportable: _____ GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well Complaint:

Lat _____ Long _____

DWR Receipt Num: _____ Owner Name: _____ GPS : _____

Field Parameters:

Sample Location: _____ Comment: _____

Spill/Remediation:

Comment: Operator's eForm 19 (Initial w/ Supplemental, doc #402266767) reported the release of approximately 102 bbls of produced water with condensate from a failed dump line. No updates have been received by the COGCC as of 12/30/2019.

Corrective Action: Operator shall submit an Initial eForm 27 Site Investigation and Remediation Workplan to comply with COAs listed on doc #402266767.

Date: 01/31/2020

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: [Subsidence observed in linear area north of separators measuring approximately 45'x5'. See photos.](#)

Corrective Action: [Comply with Rule 1102.f.](#)

Date: 01/03/2020

Pits: NO SURFACE INDICATION OF PIT

| Permit: | Facility ID | Permit Num | Expiration Date |
|---------|-------------|------------|-----------------|
| | 418329 | 2607838 | |
| | 418329 | 2607838 | |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-----------------------|---|
| 698100114 | 20191220 field photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5024542 |