

**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:

08/21/2023

Submitted Date:

08/23/2023

Document Number:

696205188

FIELD INSPECTION FORMLoc ID 479149 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:

15 Number of Comments

4 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
Arauza, Steven		steven.arauza@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
479149	LOCATION	AC			-	BJU B26-496 Pad	RI

General Comment:

On 8/21/2023, Reclamation Specialist Trujillo inspected Caerus Piceance LLC's BJU/B26-496 location in Garfield County, Colorado.

This inspection is a follow-up to Inspection Nos. #696203134, #696203716, #696203783, #696203898, #696203991 and #696205079 to document compliance with the following corrective actions:

- Stormwater
- Protection of topsoil
- Material spill/spill prevention
- Requirement to post location assessment
- Good Housekeeping
- Signage/labeling
- Spills
- Permitting requirements
- Cuttings trench.

It was observed in this inspection that the Location remains out of compliance with COGCC Rules and Corrective actions.

Refer to the "Location" and "Reclamation" sections 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; The "Date of Discovery" is being provided as the corrective action date for all new observed compliance issues. Location will remain out of compliance until corrective action(s) has(have) been resolved and a follow up inspection will be conducted to ensure the compliance issues have been corrected to comply with ECMC rules.

LocationOverall Good: ☐**Signs/Marker:**

Type	TANK LABELS/PLACARDS		
Comment:	Labels observed at frac tanks- CA has been resolved.		
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:	Previous inspection observed two tanks at the battery facility on the north end of the Location lacked required labeling. Inspection required Operator to comply with Rule 605.h. Singage/labels not observed at tanks. CA remains applicable.		
Corrective Action:	Comply with Rule 605.h.	Date:	06/28/2023
Type	OTHER		
Comment:	Location		
Corrective Action:		Date:	
Type	BATTERY		
Comment:	Previous inspection observed sigage at the battery facility had not been posted. Inspection required Operator to comply with Rule 605.e. Singage not observed at battery facility. CA remains applicable.		
Corrective Action:	Comply with Rule 605.e	Date:	06/28/2023

Emergency Contact Number:

Comment: 970-285-2615 (Location Entrance)

Corrective Action:

Date:

Good Housekeeping:

Type	DEBRIS		
Comment:	Trash debris not observed within cuttings, or the the cuttings trench on Location. This CA appears to have been addressed.		
Corrective Action:		Date:	

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: Previous inspection observed that drill cuttings E&P waste have spilled over the containment BMP onto the working pad surface. Inspection required Operator to Control spills and clean/remediate stained soils to Table 915-1 standards. Resolution #403496499 states that cuttings and stained soils were cleaned and placed back into cuttings containment.

It was observed in this inspection that cuttings have been removed from the cuttings trench, and have been placed/stored throughout areas of the WPS; containment measures have been implemented at cuttings stockpiled on the WPS. Issues regarding cuttings management on the Location will be addressed under the "Environmental" section of this report.

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

Yes/No			
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Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Location Construction

Location ID: 479149 CDP: _____

Comment: Previous inspection observed that the Form 2A permit has not been posted on the Location in accordance with Rule 406.c. It was observed in this inspection that the required permit has been posted on Location, at the Location entrance signage. This CA has been resolved.

Corrective Action: _____ Date: _____

Form 2A COAs:

Comment: _____

Corrective Action: _____ Date: _____

Wildlife BMPs:

Comment: _____

Corrective Action: _____ Date: _____

Stormwater:

Erosion BMPs	Present	Other BMPs	Present
		Material Handling And Spill Prevention	

Comments: Erosion BMPs: Portajohns on Location have been secured. This CA has been resolved.

Other BMPs: _____

Corrective Action: _____ Date: _____

		Material Handling And Spill Prevention	
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Comments: Erosion BMPs: Previous inspections observed various material spills on the on the southeast working pad surface of the Location. Inspections required Operator to Clean spills and implement/maintain BMPs.

Operator has since removed and stored drill cutting E&P Waste within the areas of the WPS, including where spills were observed. Unable to determine if spills had been cleaned per corrective actions; no resolution has been submitted indicating spills have been cleaned.

Other BMPs: The CA will remain applicable, in addition, Operator is also required to provide documentation of cleanup per 912 rules.

Corrective Action: Clean/remediate spills to Table 915-1 standards; implement/maintain BMPs per good engineering and spill prevention practices. Provide documentation of cleanup Date: 08/06/2022

BERMS

Comments: Erosion BMPs:

Previous inspection observed that containment BMPs (Berms) to contain cuttings E&P waste were inadequate; berm unconsolidated; spills over containment observed.

It was observed in this inspection that Operator has removed the drill cutting E&P Waste from the cuttings trench, and is now storing the materials within the areas of the WPS; Containment BMPs (berms) have been implemented at the waste stockpiles and appear to be in proper functioning condition. This CA is being considered resolved.

Other BMPs:

Corrective Action:

Date:

Material Handling And Spill Prevention

Comments: Erosion BMPs:

Unlabeled buckets/containers observed in previous inspection lacking adequate spill prevention or containment BMPs appear to have been removed from the Location. CA is no longer applicable.

Other BMPs:

Corrective Action:

Date:

Comment:**Corrective
Action:****Date:****On Site Inspection (305):****Surface Owner Contact Information:**

Name: _____

Address: _____

Phone Number: _____

Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____

Phone Number: _____

Date Onsite Request Received: _____

Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____

Phone Number: _____

Agreed to Attend: _____

Summary of Landowner Issues:**Summary of Operator Response to Landowner Issues:****Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:**

Environmental**Waste Management:**

Type	Management	Condition	GPS (Lat)	(Long)
Drill Cuttings				
Comment	See "Comment #1" at the end of this report.			
Corrective Action	Submit a Form 27 for the cuttings remediation work completed to date. Provide and updated Waste Management Plan for management of drill cuttings produced on the Location.			Date: 06/28/2023

Spill/Remediation:

Comment:	
Corrective Action:	Date: _____

Emission Control Burner (ECB): _____

Comment: _____

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

COGCC Comments

Comment	User	Date
<p>COMMENT #1</p> <p>Previous inspection observed drill cuttings stored in an unpermitted trench on the Location. Inspection required Operator to comply with 908.c and submit a Form 15 for Cuttings Trench Permitting requirements. Inspection also required a Form 27 for remediation of the cuttings.</p> <p>It was observed in this inspection that Operator has removed the drill cuttings E&P waste from the trench, and stored the materials throughout areas of the working pad surface; these newly potentially impacted areas shall also be included in the remediation project for the drill cuttings. Unable to find record of a Form 15 or 27 being filed.</p> <p>After additional review and discussions with ECMC EPS, it is unclear based on what has been observed on Location, and based on the Operator's current Waste Management Plan on file, if Operator intends to utilize the trench for final deposition of the cuttings material, and therefore it is unclear if the trench requires a Form 15 and permitting.</p> <p>The original corrective action and date per inspection #696205079 requiring a Form 27 related to the cuttings on Location remains applicable, however, ECMC is now also requiring that Operator submit an updated Waste Management Plan attached to the Form 27, with details regarding final deposition of the drill cuttings.</p>	trujilloam	08/23/2023

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

Document Num	Description	URL
403519017	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6240240
696205190	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6240231