

**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:

10/15/2024

Submitted Date:

10/21/2024

Document Number:

696206389**FIELD INSPECTION FORM**Loc ID 416051 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: ☐**Operator Information:**ECMC Operator Number: 10456Name of Operator: CAERUS PICEANCE LLCAddress: 1001 17TH STREET #1600City: DENVER State: CO Zip: 80202**Status Summary:**

- ☒ THIS IS A FOLLOW UP INSPECTION
☒ FOLLOW UP INSPECTION REQUIRED
☐ NO FOLLOW UP INSPECTION REQUIRED

Findings:3 Number of Comments1 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
,		ecmc.inspections@qb-energy.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
416051	LOCATION	CL			-	SGU Frac Pad J25496	RI

General Comment:

On 10/15/2024, Western Reclamation Work Lead Trujillo conducted a final reclamation inspection at Caerus Piceance LLC's SGU Frac Pad J25496 Location in Garfield County, Colorado.

Refer to the Reclamation section of this report for additional details.

Inspected Facilities									
Facility ID:	416051	Type:	LOCATION	API Number:	-	Status:	CL	Insp. Status:	RI
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12									

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____ Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____ Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____ Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

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: RANGELAND

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: [See "COGCC Comments" at the end of this report.](#)

Corrective Action: [CA Per Inspection #696205846:](#)
[Comply with 1004 Rules and conduct final reclamation](#)

Date **11/01/2024**

Overall Final Reclamation	In Process	Well Release on Active Location	Multi-Well Location
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ECMC Comments

Comment	User	Date
<p>Pursuant to Form 2A #400027305, the SGU Frac Pad J25 496 Location (#416051) was permitted as a Frac Pad with a "Special Purpose Pit" (Pit Facility #418127) for completion operations to the SGU B36 496 (#415180) and SGU F25 496 (#415182) pads.</p> <p>Pursuant to Form 4 #40041445, Operator received a variance to operate the pit until 7/8/2014. Operator's reasoning for the extension of the permit was to "allow Encana to operate the pit for an additional 12 months. During this time, Encana will continue to utilize this pit to support completion operations in the Story Gulch area. Once the Divide Road Water Facility (Form 28 currently under review with the COGCC) is operational, the subject pit will be closed and the area will be reclaimed".</p> <p>-All wells on the SGU B36 496 (#415180) and SGU F25 496 (#415182) Locations associated with the permit have been drilled or abandoned; Location no longer necessary for Frac/Completion operations.</p> <p>-Pit was closed via Remediation Project #8534 and Form 4 #400786610 and the Location and Facility has been "Closed".</p> <p>-Form 28 #2232415 for the Divide Water Facility (#432214) was approved 7/21/2014.</p> <p>Inspection #696205842 (5/30/2024) observed that the pit has been backfilled, the Gas or Diesel Motors and tank equipment identified in the Form 2A have been removed, and any remaining equipment on the Location appears to have been disconnected and/or no longer necessary for production Operations at the Location. All Locations associated with this Frac Pad identified on this Location's Form 2A have been constructed and wells drilled, and the Divide Water Facility is operational. Inspection Required Operator to comply with 1004 Rules by 7/1/2024.</p> <p>On 6/6/2024, Reclamation Specialist Trujillo met with Caerus representatives. Caerus detailed within the meeting that though Final Reclamation of the SGU Frac Pad J25496 is planned, Caerus is unable to meet the CA deadline of 7/1/2024 as provided within inspection #696205842, due to ECMC facility and pipeline facility closure requirements. ECMC amended the CA date of 7/1/2024 to 11/1/2024 via inspection #696205846 to allow Caerus adequate time to address closure requirements, as well as 1004 reclamation requirements.</p> <p>Operator submitted Form 42 #403863829 on 7/24/2024 for on-location flowline abandonment (8/26/2024 removal date).</p> <p>Operator submitted Form 27 #403879085 on 8/6/2024 for decommissioning of O&G Facility Requirements. Remediation Project #36538 remains active at this time.</p> <p>It was observed in this inspection that work to comply with 1004 requirements has commenced- all surface equipment/pipe/etc... has been removed from the Location. Several excavations were observed related to sampling and the remediation project.</p> <p>The overall status of final reclamation is being considered "in process" at this time, however corrective actions have not been addressed in entirety and will remain applicable until completed; it is unclear if Operator will be able to complete all reclamation work pursuant to 1004 requirements by the requested, extended CA date of 11/1/2024.</p>	trujilloam	10/21/2024

Attached Documents

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

Document Num	Description	URL
696206390	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6754924