

**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:

03/17/2025

Submitted Date:

03/21/2025

Document Number:

718100327

FIELD INSPECTION FORMLoc ID 425805 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

ECMC 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:**

7 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
,		ecmc.inspections@qb-energy.com	
Toews, Wesley		wtoews@blm.gov	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
425805	LOCATION	AC	01/13/2025		-	NPR H15-596	RI

General Comment:

On 3/17/2025, Western Reclamation Work Lead Trujillo conducted an interim reclamation and stormwater inspection at Caerus Piceance LLC's NPR H15-596 location in Garfield County, Colorado.

Location is split estate with half of the site being Fee Surface / Fee Mineral, and Fed Surface / Fed Mineral

Location is within the following High Priority Habitats: Aquatic Native Species Conservation Waters; Elk Winter Concentration Area; Mule Deer Winter Concentration Area

The following compliance issues were observed during this inspection:

- Subsidence
- Unused equipment
- Secondary containment

Refer to the Location, Reclamation and Stormwater sections of this inspection report for additional details.

Refer to the photo-documentation attached to this report.

Any corrective action(s) from previous inspection that have not been addressed are still applicable.

LocationOverall Good: ☒

Emergency Contact Number:

Comment: All signage on Location identifies Caerus Piceance as the Operator; records show 14 of the 21 active wells on the Location have been transferred to QB Energy.

Upon the Director's approval of a Form 9 the Buying Operator will have 60 days to replace or update all signs at the Oil and Gas Location so that the signs comply with Rule 605. Pursuant to Form 9 #403887102 (approved 1/16/2025), well signage for QB wells on Location required updating by 3/17/2025.

Corrective Action:

Date:

Good Housekeeping:

Type UNUSED EQUIPMENT

Comment: Gas Meter/Lift and riser equipment on the southwest end of the Location appears to be associated with P&Ad wells; Lift and risers have been disconnected and are considered unused equipment.

Corrective Action: Comply with 606 Rules and remove unused equipment.

Date: 04/21/2025

Overall Good: ☐**Spills:**

Type Area Volume

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Tanks and Berms:**

Contents	#	Capacity	Type	Tank ID	SE GPS
OTHER	1	200 BBLs	STEEL AST		,

Comment:

Corrective Action:

Date:

Paint

Condition

Other (Content) Condensate / Produced water mix

Other (Capacity)

Other (Type)

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal				Inadequate

Comment: Significant damage to the eastern perimeter of the secondary containment berm evident. Unclear if BMP is sufficiently impervious to contain a spill or release from the tank.

Corrective Action: Maintain BMP to ensure control measure remains in proper functioning condition, and is sufficiently impervious to contain a spill or release.

Date: 04/21/2025

Venting:

Yes/No

Comment:

Corrective Action:

Date:

Flaring:			
Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities									
Facility ID:	425805	Type:	LOCATION	API Number:	-	Status:	AC	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: OTHER, 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? <u>Pass</u>	Production areas stabilized ? <u>In</u>
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? <u>In</u>	
Production areas have been stabilized? _____	Segregated soils have been replaced? _____
RESTORATION AND REVEGETATION	
<u>Cropland</u>	
Top soil replaced _____	Recontoured _____ Perennial forage re-established _____
<u>Non-Cropland</u>	
Top soil replaced _____	Recontoured <u>Pass</u> 80% Revegetation <u>In</u>
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? <u>I</u>	
Comment	It was observed in this inspection that several rat or other bore holes on the Location have not been properly closed/backfilled pursuant to Rule 1003.a. Holes on Location are currently covered with an unsecured plate.
Corrective Action	Comply with Rule 1003.a
	Date 04/21/2025
Overall Interim Reclamation <u>In Process</u>	
<u>Final Reclamation/ Abandoned Location:</u>	
Date Final Reclamation Started: _____	Date Final Reclamation Completed: _____
Final Land Use: <u>OTHER, RANGELAND</u>	
Reminder: _____	
Comment: <div style="border: 1px solid black; height: 20px; width: 100%;"></div>	
Well plugged _____	Pit mouse/rat holes, cellars backfilled _____
Debris removed _____	No disturbance /Location never built _____
Access Roads <u>Regraded</u> _____	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 Fail _____
1004.d. FINAL VEGETATION TRANSECT	
TRANSECT RESULTS OF DISTURBED AREA% _____	
TRANSECT RESULTS OF REFERENCE AREA% _____	
TOTAL % OF DESIRABLE VEGETATION COVER _____	
VEGETATIVE COVER _____	
Comment:	Subsidence issues evident within areas of the recently P&Ad wells on the Location.
Corrective Action:	Conduct work to address the subsidence issues occurring on the Location, and to ensure site remains stabilized
	Date 04/21/2025

Overall Final Reclamation		Well Release on Active Location <input type="checkbox"/>		Multi-Well Location <input type="checkbox"/>		
Storm Water:						
Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Ditches						
Sediment Traps						
Rip Rap						
Berms						
Seeding						
Compaction						
Comment: <input type="text" value="No immediate stormwater issues observed at time of inspection."/>						
Corrective Action: <input type="text"/>					Date: <input type="text"/>	
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						

Attached Documents

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

Document Num	Description	URL
718100328	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6969874