

**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:

03/25/2025

Submitted Date:

04/15/2025

Document Number:

718100393**FIELD INSPECTION FORM**Loc ID 485796 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:27 Number of Comments15 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
Andrews, Doug		doug.andrews@state.co.us	
Roberts, James		j75rober@blm.gov	Rio Blanco, Moffat
,		ecmc.inspections@qb-energy.com	
Treitz, Rebecca		rebecca.treitz@state.co.us	
Noto, John		john.noto@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
485123	LOCATION	AC			-	PCU FED A27-197 CDP	CI
485796	LOCATION	AC	01/03/2024		-	PCU FED A27-197 CDP	CI

General Comment:

On 3/25/2025, Western Reclamation Work Lead Trujillo conducted a pre-drill construction and stormwater inspection at Caerus Piceance LLC's PCU FED A27-197 CDP location in Rio Blanco County, Colorado.

Location is Fed Surface / Fed Minerals

Location is within the following High Priority Habitats: Elk Winter Concentration Area; Mule Deer Severe Winter Range; Mule Deer Winter Concentration Area

The following compliance issues were observed in this inspection:

- Signage Posting Requirements
- Permit Posting Requirements
- Form 2A COA requirements
- Stormwater

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

Refer to the photo-documentation attached to this report.

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

Type OTHER

Comment: A copy of the approved Form 2A, and any Form 4 modifying the approved Form 2A has not been posted in a protected and conspicuous place on Location pursuant to Rule 406.c

Corrective Action: **Comply with Rule 406.c.**

Date:

Type OTHER

Comment: For new Oil and Gas Locations, from the time of construction until Reclamation is complete, the Operator will post a sign at the entrance to an Oil and Gas Location that includes the: (1) Oil and Gas Location name; (2) Commission's assigned Oil and Gas Location identification number (ID #); (3) The Operator's telephone number where it may be reached at all times; and (4) Telephone number(s) for local emergency services (911 where available).

Signage at the Location entrance has not been posted pursuant to Rule 605.a.

Corrective Action: **Comply with Rule 605.a**

Date:

Type OTHER

Comment: Signage posted at the intersection of the lease road and public road pursuant to Rule 406.b

Corrective Action:

Date:

Emergency Contact Number:

Comment: 970-285-2615 / 911 Access road intersection

Corrective Action:

Date: _____

Overall Good: ☒**Spills:**

Type	Area	Volume

In Containment: No

Comment:

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

Yes/No

Comment:

Corrective Action:

Date:

Flaring:

Type

Comment:

Corrective Action:

Date:

Location Construction

Location ID: 485796

CDP:

Comment: See "PERMITTED DISTURBANCE AREA" at the end of this report.

Corrective Action: **Submit a Form 4 Sundry Notice to correct the Location's total disturbance area, pursuant to Rule 301.c**Date: **04/22/2025****Form 2A COAs:****Comment:**

Corrective Action:

Date:

Wildlife BMPs:**Comment:**

Corrective Action:

Date:

Stormwater:

Erosion BMPs	Present	Other BMPs	Present

Comments: Erosion BMPs: **Vehicle tracking controls to minimize and control potential sediment discharges do not appear to be sufficient on the Location. Only road base material appears to have been applied to the working pad surface; VTCs, such as a tracking pad, have not been installed. Unclear if compaction alone is sufficient to stabilize the WPS and tracking concerns during wet conditions.**

Additional tracking control measures advised.

Other BMPs:

Corrective Action:

Date:

	No		
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Comments: Erosion BMPs: **Outlet- NE Corner**

Pursuant to Operators Permitted 2A Layout drawing, an outlet would exist on the northeast end of the Location that would allow for stormwater runoff from an existing drainage, from the "Snow Push Area", and from the WPS to discharge.

It was observed in this inspection that an engineered outlet has not been constructed within these areas.

Other BMPs:

Corrective Action: **Outlet- NE Corner**

Date:

Comply with Rule 1002.f- Install or repair BMPs pursuant to the Location's 2A permit, and in accordance with good engineering practices.

BERMS	Yes		
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Comments: Erosion BMPs: **Perimeter of the Working Pad Surface.**

Pursuant to Operators Permitted 2A Layout drawing, a ditch/berm would be constructed on the northern half, of the eastern perimeter of the working pad surface; allowing stormwater from the pad to flow north within the ditch, and discharge off the Location.

Other BMPs:

It was observed in this inspection that Operator has constructed a berm along the entire eastern perimeter of the WPS; stormwater is unable to discharge from Location and WPS; BMP has not been installed per the 2A Layout Drawing.Corrective Action: **WPS Berms**

Date:

Comply with Rule 1002.f- Install or repair BMPs pursuant to the Location's 2A permit, and in accordance with good engineering practices

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Comments: Erosion BMPs: **Culverts- Access road**

It was observed in this inspection that inlet/outlet protection at the culverts have not been installed or maintained per good engineering practices: Several culverts observed missing engineered outlet protection. Inlet/outlet armoring has not been installed with rip-rap material in conjunction with geotextile lining.

Erosion/Degradation observed at culverts.

Other BMPs:

Corrective Action: **Culverts- Access road**

Date: _____

Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices

RETENTION PONDS

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Comments: Erosion BMPs: **SCB #1**

Pursuant to Operators Permitted 2A Layout drawing, a sediment trap ("SCB #1") would be constructed on the northwest end of the Location, with an engineered outlet ("Outfall").

It was observed in this inspection that the sediment trap has not been constructed with an engineered outlet.

Other BMPs:

Corrective Action: **SCB #1**

Date: _____

Comply with Rule 1002.f- Install or repair BMPs pursuant to the Location's 2A permit, and in accordance with good engineering practices.

	No		No
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Comments: Erosion BMPs: **Velocity checks within ditches at Location and access road not observed.**

Additionally, the drainage to re-route Lee Gulch has been constructed with a straight channel and lacks velocity check control measures; this will contribute to increased and channelized water flows, which may lead to further incising and degradation within the channel.

BMPs to manage runoff velocity are advised.

Other BMPs:

Corrective Action: _____

Date: _____

	No		No
Comments:	Erosion BMPs:	<p>It was observed in this inspection that Operator, as part of the construction of this Location, has constructed and re-routed approximately 922 feet of Lee Gulch (an intermittent drainage) to the west end of the Location.</p>	
	Other BMPs:	<p>It was also observed that BMPs to minimize erosion, degradation and sediment transport within the constructed draining are missing or insufficient. Soils throughout the constructed drainage (including the new channel and slopes) are bare, lack stabilization and are at risk to runoff; erosion and degradation observed.</p>	
Corrective Action:		Lee Gulch	Date: _____
<p>Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices.</p>			
Comments:	Erosion BMPs:	<p>Arch Pipe Culvert- Location entrance(s)</p> <p>Culverts have not been installed in accordance with good engineering practices. Required inlet armoring protection not observed; Outlet armoring has failed and water appears to be undercutting the culvert at the middle location entrance; degradation and incising within the modified stream channel also observed. Geotextile lining in conjunction with rip-rap not apparent at the inlets/outlets in accordance with good engineering practices.</p>	
	Other BMPs:	<div style="border: 1px solid black; height: 20px;"></div>	
Corrective Action:		Arch Pipe Culvert- Location entrance(s)	Date: _____
<p>Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices.</p>			
BERMS	Yes		Yes
Comments:	Erosion BMPs:	<p>Berms- NW End of Location</p> <p>Berm/Erosion Log installed at the toe of the fill slope on the northwest end of the Location has failed, resulting in erosion, degradation and sediment transport</p>	
	Other BMPs:	<div style="border: 1px solid black; height: 20px;"></div>	
Corrective Action:		Berms- NW End of Location	Date: _____
<p>Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices</p>			
Comments:	Erosion BMPs:	<p>SW Access Road Slopes</p> <p>BMPs at the disturbed access road slopes on the southwest end of the Location are missing or insufficient; Tracking/Surface Roughening have not been maintained and/or are inadequate for the sites condistions; erosion, degradation and sediment transport observed.</p>	
	Other BMPs:	<div style="border: 1px solid black; height: 20px;"></div>	
Corrective Action:		SW Access Road Slopes	Date: _____
<p>Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices</p>			

	No	No	
Comments: Erosion BMPs:	<div style="border: 1px solid black; padding: 5px; color: red;"> Fill Slopes BMPs to stabilize, as well as to minimize erosion and degradation are missing or insufficient at the fill slopes of the Location. Slopes are currently bare and unconsolidated soils. </div>		
Other BMPs:	<div style="border: 1px solid black; height: 20px;"></div>		
Corrective Action:	Fill Slopes		Date: _____
Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices.			
	No	No	
Comments: Erosion BMPs:	<div style="border: 1px solid black; padding: 5px; color: red;"> Pursuant to Operators Permitted 2A Layout drawing, cattle guards would be installed at the two southern Location entrances. It was observed in this inspection that the cattle guards have not been installed. </div>		
Other BMPs:	<div style="border: 1px solid black; height: 20px;"></div>		
Corrective Action:	Comply with the Form 2A Permit Conditions and the "Construction Layout" drawing.		Date: _____
RETENTION PONDS	No		
Comments: Erosion BMPs:	<div style="border: 1px solid black; padding: 5px; color: red;"> Pursuant to Operators Permitted 2A Layout drawing, a sediment trap ("SCB #2") would be constructed on the southwest end of the Location. It was observed in this inspection that the BMP has not been installed per the 2A Layout Drawing. </div>		
Other BMPs:	<div style="border: 1px solid black; height: 20px;"></div>		
Corrective Action:	SCB #2		Date: _____
Comply with Rule 1002.f- Install or repair BMPs pursuant to the Location's 2A permit, and in accordance with good engineering practices.			
	No		
Comments: Erosion BMPs:	<div style="border: 1px solid black; padding: 5px; color: red;"> Cut slopes on the south/southeast end of the Location are bare- BMPs to stabilize, as well as to minimize erosion and degradation at the cut slopes are missing or insufficient; Erosion and degradation evident </div>		
Other BMPs:	<div style="border: 1px solid black; padding: 5px; color: red;"> Hydromulch applied to the cut slopes on the east end of the Location show signs of disrepair. Maintenance advised. </div>		
Corrective Action:	Cut Slopes		Date: _____
Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices			
<u>Comment:</u>	Stormwater sediment and erosion control BMPs need to be site specific; if it is determined that a specific BMP is insufficient to minimize erosion, degradation and sediment transport, or cannot be implemented per installation specification, or maintained in effective operating condition, then alternative BMPs that are better suited to meet the site's conditions should be considered and applied, or used in conjunction.		
<u>Corrective Action:</u>	<div style="border: 1px solid black; height: 20px;"></div>		<u>Date:</u> _____
<u>On Site Inspection (305):</u>			
<u>Surface Owner Contact Information:</u>			

Name: _____	Address: _____	
Phone Number: _____	Cell Phone: _____	
<u>Operator Rep. Contact Information:</u>		
Landman Name: _____	Phone Number: _____	
Date Onsite Request Received: _____	Date of Rule 306 Consultation: _____	
Request LGD Attendance: _____		
<u>LGD Contact Information:</u>		
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:

Inspected Facilities									
Facility ID:	485123	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	CI
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12									
Facility ID:	485796	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	CI
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 _____

With use of a sUAS, it was measured that Operator salvaged approximately 4,600 cubic yards of topsoil; Operator has salvaged to an average depth of 6.5 inches over the 5.26 acre area of the Location subject to 1002.b requirements. Topsoil is currently stockpiled on the south end of the Location per the Form 2A Construction Layout Drawing.

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ In Process _____

Comment _____

Hydromulch has been applied to the soil stockpile, and erosion logs implemented along its perimeter.

BMPs appeared to be in proper functioning condition at time of inspection.

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 Operator received a variance to Rule 1003.b to Interim Reclamation, to delay the start of interim reclamation for this location to 48 months after initial construction. Pursuant to Form 42 #403810996, construction commenced 6/5/2024; Interim Reclamation due June 2028.

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:

Corrective Action: Date _____

Overall Final Reclamation	Well Release on Active Location <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>
ECMC Comments		
Comment	User	Date
<p>Two Location IDs currently exist for this site:</p> <p>Pursuant to Order No. 1-328, Operator was granted a variance from Rules 303, 304, 306 and 307 to allow construction of the Access Road to the Location, prior to receiving an approved OGDG and Form 2A, Oil and Gas Location Assessment permit.</p> <p>Location ID No. 485123 was created in order to have a facility ID form Form submission prior to approval of the Location.</p> <p>Operator received approval of OGDG #485279 and Form 2A #403206175. However, Operator did not amend the Existing Location ID on the Form 2A, resulting in a second Location ID (#485796) being created.</p> <p>Including ECMC Location Assessment Group on inspection report for notification purposes.</p>	trujilloam	04/01/2025
<p>PERMITTED DISTURBANCE AREA</p> <p>It was observed in this inspection that the disturbance areas associated with the re-routing of Lee Gulch, in order for Caerus to construct their Oil and Gas Location, were not included within the 2A's total permitted disturbance; these areas are definable areas in which Caerus had disturbed the land surface in order to locate and place an Oil and Gas Facility. With use of a sUAS, the total disturbance area associated with the construction of this Location was measured to be 6.86 acres.</p> <p>After review with ECMC's Location Assessment Group, it was determined that Operator will need to submit a Rule 301.c "OGDG Form 4 Sundry"; upon approval, a Form 4 "Location" Sundry will need to be submitted. Both sundries will need to include comments detailing that the Form 4s are to amend a clerical error to correct the Location's disturbance area.</p>	trujilloam	04/15/2025

Attached Documents

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

Document Num	Description	URL
404165047	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7005273
718100473	Inspection Photos and Drone Report	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7005263