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www.alsglobal.com

LABORATORY REPORT

March 29, 2017

Jake Janicek
Caerus Oil and Gas LLC
120 North Railroad Ave.
Parachute, CO 81635

RE: Parachute Creek 10

Dear Jake:

Enclosed are the results of the samples submitted to our laboratory on March 15, 2017. For your reference, these analyses have been assigned our service request number P1701237.

All analyses were performed according to our laboratory's NELAP and DoD-ELAP-approved quality assurance program. The test results meet requirements of the current NELAP and DoD-ELAP standards, where applicable, and except as noted in the laboratory case narrative provided. For a specific list of NELAP and DoD-ELAP-accredited analytes, refer to the certifications section at www.alsglobal.com. Results are intended to be considered in their entirety and apply only to the samples analyzed and reported herein.

If you have any questions, please call me at (805) 526-7161.

Respectfully submitted,

ALS | Environmental

By Kelly Horiuchi at 1:46 pm, Mar 29, 2017

Kelly Horiuchi
Laboratory Director

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Client: Caerus Oil and Gas LLC
Project: Parachute Creek 10

Service Request No: P1701237

CASE NARRATIVE

The samples were received intact under chain of custody on March 15, 2017 and were stored in accordance with the analytical method requirements. Please refer to the sample acceptance check form for additional information. The results reported herein are applicable only to the condition of the samples at the time of sample receipt.

Hydrogen Sulfide Analysis

The samples were analyzed for hydrogen sulfide per ASTM D 5504-12 using a gas chromatograph equipped with a sulfur chemiluminescence detector (SCD). Method ASTM D 5504-12 is included on the laboratory's NELAP scope of accreditation, however it is not part of the DoD-ELAP accreditation.

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ALS Environmental – Simi Valley

CERTIFICATIONS, ACCREDITATIONS, AND REGISTRATIONS

Agency	Web Site	Number
Arizona DHS	http://www.azdhs.gov/preparedness/state-laboratory/lab-licensure-certification/index.php#laboratory-licensure-home	AZ0694
Florida DOH (NELAP)	http://www.doh.state.fl.us/lab/EnvLabCert/WaterCert.htm	E871020
Louisiana DEQ (NELAP)	http://www.deq.louisiana.gov/portal/DIVISIONS/PublicParticipationandPermitSupport/LouisianaLaboratoryAccreditationProgram.aspx	05071
Maine DHHS	http://www.maine.gov/dhhs/mecdc/environmental-health/water/dwp-services/labcert/labcert.htm	2016036
Minnesota DOH (NELAP)	http://www.health.state.mn.us/accreditation	1177034
New Jersey DEP (NELAP)	http://www.nj.gov/dep/oqa/	CA009
New York DOH (NELAP)	http://www.wadsworth.org/labcert/elap/elap.html	11221
Oregon PHD (NELAP)	http://public.health.oregon.gov/LaboratoryServices/EnvironmentalLaboratoryAccreditation/Pages/index.aspx	4068-004
Pennsylvania DEP	http://www.depweb.state.pa.us/labs	68-03307 (Registration)
PJLA (DoD ELAP)	http://www.pjlabs.com/search-accredited-labs	65818 (Testing)
Texas CEQ (NELAP)	http://www.tceq.texas.gov/field/qa/env_lab_accreditation.html	T104704413-16-7
Utah DOH (NELAP)	http://health.utah.gov/lab/environmental-lab-certification/	CA016272016-6
Washington DOE	http://www.ecy.wa.gov/programs/eap/labs/lab-accreditation.html	C946

Analyses were performed according to our laboratory's NELAP and DoD-ELAP approved quality assurance program. A complete listing of specific NELAP and DoD-ELAP certified analytes can be found in the certifications section at www.alsglobal.com, or at the accreditation body's website.

Each of the certifications listed above have an explicit Scope of Accreditation that applies to specific matrices/methods/analytes; therefore, please contact the laboratory for information corresponding to a particular certification.

ALS ENVIRONMENTAL

DETAIL SUMMARY REPORT

Client: Caerus Oil and Gas LLC
Service Request: P1701237
Project ID: Parachute Creek 10

Date Received: 3/15/2017
Time Received: 09:15

Client Sample ID	Lab Code	Matrix	Date Collected	Time Collected	ASTM D 5504-12 - H2S Bag
Chevron 8D-5D	P1701237-001	Air	3/14/2017	15:00	X
Chevron 8E-5D	P1701237-002	Air	3/14/2017	15:30	X

ALS Laboratory Group

ALS Holland 3352 128th Ave, Holland MI
855-572-1944 616-399-6070

Chain-of-Custody

P1701237

Form 202r8

WORKORDER #	
PAGE	1 of
DISPOSAL	By Lab or Return to

PROJECT NAME	Parachute Creek 10	SAMPLER	Jake Janicek
PROJECT No.		SITE ID	
		EDD FORMAT	
COMPANY NAME	Caerus Piceance, LLC	PURCHASE ORDER	
SEND REPORT TO	Jake Janicek	BILL TO COMPANY	Caerus Piceance, LLC
ADDRESS	120 N. Railroad, suite D	INVOICE ATTN TO	Jake Janicek
CITY / STATE / ZIP	Parachute Co, 81635	ADDRESS	120 N. Railroad, suite D
PHONE	970-285-9608	CITY / STATE / ZIP	Parachute Co, 81635
FAX		PHONE	970-285-9608
E-MAIL	jjanicek@caerusoilandgas.com	FAX	
		E-MAIL	invoices@caerusoilandgas.com

DATE: 3-14-17
TURNAROUND: STD

Lab ID	Field ID	Matrix	Sample Date	Sample Time	# Bottles	Pres.	QC	TPH/GRO/DRO	BTEX	Table 910 PAH's	EC	PH	SAR	Benzene	Table 910 Metals	Hydrogen Sulfide
1	Chevron 8D-5D	Gas	3-14-17	15:00	1											X
2	Chevron 8E-5D	Gas	3-14-17	15:30	1											X

5 of 8

*Time Zone (Circle): EST CST MST PST Matrix: O = oil S = soil NS = non-soil solid W = water L = liquid E = extract F = filter

For metals or anions, please detail analytes below.

Comments:

QC PACKAGE (check below)	
X	LEVEL II (Standard QC)
	LEVEL III (Std QC + forms)
	LEVEL IV (Std QC + forms + raw data)

Preservative Key: 1-HCl 2-HNO3 3-H2SO4 4-NaOH 5-NaHSO4 7-Other 8-4 degrees C 9-5035

	SIGNATURE	PRINTED NAME	DATE	TIME
RELINQUISHED BY		Jake Janicek	3-14-17	1615
RECEIVED BY			3-14-17	1615
RELINQUISHED BY			3-14-17	1600
RECEIVED BY		3/15/17 0915		
RELINQUISHED BY				
RECEIVED BY				

ALS Environmental
Sample Acceptance Check Form

Client: Caerus Oil and Gas LLC Work order: P1701237

Project: Parachute Creek 10

Sample(s) received on: 3/15/17 Date opened: 3/15/17 by: KKELPE

Note: This form is used for all samples received by ALS. The use of this form for custody seals is strictly meant to indicate presence/absence and not as an indication of compliance or nonconformity. Thermal preservation and pH will only be evaluated either at the request of the client and/or as required by the method/SOP.

		Yes	No	N/A
1	Were **sample containers** properly marked with client sample ID?	☒	☐	☐
2	Did **sample containers** arrive in good condition?	☒	☐	☐
3	Were **chain-of-custody** papers used and filled out?	☒	☐	☐
4	Did **sample container labels** and/or tags agree with custody papers?	☒	☐	☐
5	Was **sample volume** received adequate for analysis?	☒	☐	☐
6	Are samples within specified holding times?	☒	☐	☐
7	Was proper **temperature** (thermal preservation) of cooler at receipt adhered to?	☐	☐	☒
8	Were **custody seals** on outside of cooler/Box/Container?	☒	☐	☐
	Location of seal(s)? sealing box Sealing Lid?	☒	☐	☐
	Were signature and date included?	☒	☐	☐
	Were seals intact?	☒	☐	☐
9	Do containers have appropriate **preservation**, according to method/SOP or Client specified information?	☐	☐	☒
	Is there a client indication that the submitted samples are **pH** preserved?	☐	☐	☒
	Were **VOA vials** checked for presence/absence of air bubbles?	☐	☐	☒
	Does the client/method/SOP require that the analyst check the sample pH and if necessary alter it?	☐	☐	☒
10	**Tubes:** Are the tubes capped and intact?	☐	☐	☒
11	**Badges:** Are the badges properly capped and intact?	☐	☐	☒
	Are dual bed badges separated and individually capped and intact?	☐	☐	☒

Lab Sample ID	Container Description	Required pH *	Received pH	Adjusted pH	VOA Headspace (Presence/Absence)	Receipt / Preservation Comments
P1701237-001.01	1 L Zefon Bag					
P1701237-002.01	1 L Zefon Bag					

Explain any discrepancies: (include lab sample ID numbers):

RSK - MEEPP, HCL (pH<2); RSK - CO2, (pH 5-8); Sulfur (pH>4)

ALS ENVIRONMENTAL

RESULTS OF ANALYSIS

Client: **Caerus Oil and Gas LLC**
Client Project ID: **Parachute Creek 10** ALS Project ID: P1701237

Hydrogen Sulfide

Test Code: ASTM D 5504-12
Instrument ID: Agilent 7890A/GC22/SCD Date(s) Collected: 3/14/17
Analyst: Mike Conejo Date Received: 3/15/17
Sample Type: 1 L Zefon Bag(s) Date Analyzed: 3/15/17
Test Notes:

Client Sample ID	ALS Sample ID	Injection Volume ml(s)	Time Analyzed	Result µg/m³	MRL µg/m³	Result ppbV	MRL ppbV	Data Qualifier
Chevron 8D-5D	P1701237-001	1.0	11:35	**6,700**	7.0	**4,800**	5.0	
Chevron 8E-5D	P1701237-002	1.0	11:48	**34,000**	7.0	**24,000**	5.0	
Method Blank	P170315-MB	1.0	08:14	ND	7.0	ND	5.0	

ND = Compound was analyzed for, but not detected above the laboratory reporting limit.
MRL = Method Reporting Limit - The minimum quantity of a target analyte that can be confidently determined by the referenced method.

ALS ENVIRONMENTAL

LABORATORY CONTROL SAMPLE SUMMARY

Client: **Caerus Oil and Gas LLC**
Client Sample ID: **Lab Control Sample** ALS Project ID: P1701237
Client Project ID: **Parachute Creek 10** ALS Sample ID: P170315-LCS

Test Code: ASTM D 5504-12 Date Collected: NA
Instrument ID: Agilent 7890A/GC22/SCD Date Received: NA
Analyst: Mike Conejo Date Analyzed: 3/15/17
Sample Type: 1 L Zefon Bag Volume(s) Analyzed: NA ml(s)
Test Notes:

CAS #	Compound	Spike Amount ppbV	Result ppbV	% Recovery	ALS Acceptance Limits	Data Qualifier
7783-06-4	Hydrogen Sulfide	1,000	**1,230**	**123**	75-148	