

State of Colorado
Oil and Gas Conservation Commission

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Receive Date:

Report taken by:

Site Investigation and Remediation Workplan (Supplemental Form)

This form shall be submitted to the Director for approval prior to the initiation of site investigation and remediation activities. However, this shall not preclude the Operator from taking immediate action to protect public health or safety, the environment, wildlife, or livestock.

This Form 27 describes site conditions as currently understood by the Operator; approval of this Form 27 by COGCC is based on the site conditions accurately described herein; any changes in site conditions identified during or subsequent to the performance of the approved workplan may necessitate additional investigation or remediation which shall be described on a supplemental Form 27. This Form 27 is intended to provide basic information regarding the proposed site investigation and remediation actions, but the workplan may be more fully described in attached documentation.

Closure request is not available for an Initial Site Investigation and Remediation Workplan.

OPERATOR INFORMATION

| | | |
|---------------------------------------|-------------------------------------|------------------------|
| Name of Operator: CAERUS PICEANCE LLC | Operator No: 10456 | Phone Numbers |
| Address: 1001 17TH STREET #1600 | | Phone: (970) 778-2314 |
| City: DENVER State: CO Zip: 80202 | | Mobile: (970) 778-2314 |
| Contact Person: Jake Janicek | Email: jjanicek@caerusoilandgas.com | |

PROJECT, PURPOSE & SITE INFORMATION

PROJECT INFORMATION

Remediation Project #: 19518 Initial Form 27 Document #: 402658889

PURPOSE INFORMATION

- Rule 913.c.(1): Pit or Cuttings Trench closure.
- Rule 913.c.(2): Buried or partially buried vessel closure, which will be by removal.
- Rule 913.c.(3): Remediation of Spill and Releases pursuant to Rule 912.
- Rule 913.c.(4): Land treatment of Oily Waste pursuant to Rule 905.e.
- Rule 913.c.(5): Closure of Centralized E&P Waste Management Facilities pursuant to Rule 907.h.
- Rule 913.c.(6): Remediation of impacted Groundwater pursuant to Rule 915.e.(3).D, and the contaminant concentrations in Table 915-1.
- Rule 913.c.(7): Investigation and remediation of natural gas in soil or Groundwater.
- Rule 913.c.(8): When requested by the Director due to any potential risk to soil, Groundwater, or surface water.
- Rule 913.c.(9): Decommissioning of Oil and Gas Facilities.
- Rule 913.g: Changes of Operator.
- Rule 915.b: Request to leave elevated inorganics in situ.
- Other: _____

SITE INFORMATION

No Multiple Facilities

| | | | |
|--|---------------------|------------------------|---|
| Facility Type: SPILL OR RELEASE | Facility ID: 479279 | API #: _____ | County Name: RIO BLANCO |
| Facility Name: J14 496 Drilling Mud Release | Latitude: 39.700947 | Longitude: -108.137218 | |
| ** correct Lat/Long if needed: Latitude: _____ | | Longitude: _____ | |
| QtrQtr: NESW | Sec: 14 | Twp: 4S | Range: 96W Meridian: 6 Sensitive Area? No |

SITE CONDITIONS

General soil type - USCS Classifications GM Most Sensitive Adjacent Land Use Rangeland

Is domestic water well within 1/4 mile? No Is surface water within 1/4 mile? No

Is groundwater less than 20 feet below ground surface? No

Other Potential Receptors within 1/4 mile

A monitoring well owned by Hunter Ridge Energy Services is located 624 feet northeast.

SITE INVESTIGATION PLAN

TYPE OF WASTE:

- E&P Waste
- Other E&P Waste
- Non-E&P Waste
- Produced Water
- Workover Fluids
- Oil
- Tank Bottoms
- Condensate
- Pigging Waste
- Drilling Fluids
- Rig Wash
- Drill Cuttings
- Spent Filters
- Pit Bottoms
- Other (as described by EPA)

DESCRIPTION OF IMPACT

| Impacted? | Impacted Media | Extent of Impact | How Determined |
|-----------|----------------|------------------|---------------------------------------|
| Yes | SOILS | To be determined | Soil sampling and laboratory analysis |

INITIAL ACTION SUMMARY

Description of initial action or emergency response measures take to abate, investigate, and/or remediate impacts associated with E&P Waste.

During drilling activities on January 28, 2021, a gas kick caused the release of approximately 4 barrels (bbls) of drilling mud on the pad surface. The spill was reported using Colorado Oil and Gas Conservation Commission (COGCC) Form 19 Document 402586515, and Spill ID 479279 was assigned to the release. Due to health and safety concerns associated with the active drill rig, remediation investigation activities could not take place immediately. COGCC Form 27 Document 42658889 was later submitted to open Remediation Project 19518. COGCC Form 27 Document 403229061 approved a reduced analyte list of total petroleum hydrocarbons (TPH), sodium adsorption ratio (SAR), pH, boron, and barium.

PROPOSED SAMPLING PLAN

Proposed Soil Sampling

Will soil samples be collected as part of this investigation? (Number, type (grab/composite), analyses, and locations of samples):

Caerus plans to continue assessment of the release area. Additional soil samples will be collected and analyzed for the approved reduced analyte list to delineate identified impacts.

Proposed Groundwater Sampling

Will groundwater samples be collected as part of this investigation? (Number, analyses, and locations of samples):

Groundwater is not expected to be encountered. If groundwater is encountered, Caerus will attempt to collect a representative groundwater sample for laboratory analysis.

Proposed Surface Water Sampling

Will surface water samples be collected as part of this investigation? (Number, analyses, and locations of samples):

[Empty text box for surface water sampling details]

Additional Investigative Actions

Additional alternative investigative actions described in attached Site Investigation Plan (summary):

[Empty text box for additional investigative actions]

SITE INVESTIGATION REPORT

SAMPLE SUMMARY

Soil

Number of soil samples collected 15
Number of soil samples exceeding 915-1 15
Was the areal and vertical extent of soil contamination delineated? No
Approximate areal extent (square feet) 8000

NA / ND

-- Highest concentration of TPH (mg/kg) 838
-- Highest concentration of SAR 15.6
 BTEX > 915-1 Yes
 Vertical Extent > 915-1 (in feet) 2

Groundwater

Number of groundwater samples collected 0
Was extent of groundwater contaminated delineated? Yes
Depth to groundwater (below ground surface, in feet)
Number of groundwater monitoring wells installed
Number of groundwater samples exceeding 915-1

 Highest concentration of Benzene (µg/l)
 Highest concentration of Toluene (µg/l)
 Highest concentration of Ethylbenzene (µg/l)
 Highest concentration of Xylene (µg/l)
 Highest concentration of Methane (mg/l)

Surface Water

0 Number of surface water samples collected
 Number of surface water samples exceeding 915-1
If surface water is impacted, other agency notification may be required.

OTHER INVESTIGATION INFORMATION

Were impacts to adjacent property or offsite impacts identified?

Were background samples collected as part of this site investigation?

Four background samples were collected from the Location on June 20, 2022. See Form 27 Document 403229061 and the associated Report of Work Completed (ROWC) for details.

Was investigation derived waste (IDW) generated as part of this investigation?

Volume of solid waste (cubic yards) Volume of liquid waste (barrels)

Is further site investigation required?

See Proposed Sampling section.

REMEDIAL ACTION PLAN

Does this Supplemental Form 27A include changes to a previously approved Remedial Action Plan? No

SOURCE REMOVAL SUMMARY

Describe how source is to be removed.

Impacted soil will be excavated and remediated. All removed impacted soil will be added to the drill cuttings stockpile and remediated as part of COGCC Remediation Project 24636. To confirm successful removal of all impacted soil, confirmation soil samples will be collected from soil beneath the impacted area and submitted for the laboratory analysis of the reduced analyte suite proposed in the "Proposed Soil Sampling" Section of this form. The number and placement of these samples will be made in the field but will be representative of the total area affected.

REMEDICATION SUMMARY

Describe how remediation of existing impacts to soil and groundwater is to be accomplished (i.e. summarize remedial action plan). Provide a brief narrative description including: technical justification, schedule for implementation, estimated time to attain NFA status, plus plans and specifications for the selected remedial action technology.

Initial site investigation was performed on April 29, 2022. Using a hand auger, four soil samples were collected from 6 inches below ground surface (bgs) within the spill footprint. Analytical results of initial site investigation identified levels of TPH, SAR, pH, boron, arsenic, and barium exceeding COGCC Table 915-1 Residential Soil Screening Levels. On September 29, 2022, additional site investigation was completed. Using a hydrovacuum truck, five potholes were advanced to the north, south, east, and west of release area to delineate soil impacts horizontally. One pothole was also advanced at the center of the impacted area to delineate soil impacts vertically. Where possible, two samples were collected from each pothole: one at 6 inches to 1 foot bgs, and one from the terminus of each pothole. Analytical results of pothole delineation soil samples are compliant with COGCC Table 915-1 Residential Soil Screening Levels except for pH, arsenic, and hexavalent chromium.

Background data collected at the location on June 20, 2022, indicate levels of pH and arsenic elevated above COGCC Table 915-1 Residential Soil Screening Levels. Analytical data indicates a pH value of 8.66 and arsenic value of 5.84 mg/kg. Alternative allowable limits for pH and arsenic have been approved, and hexavalent chromium has been removed as a constituent of concern. See Form 27 Document 403229061 and the associated ROWC for details.

Soil Remediation Summary

In Situ

Ex Situ

_____ Bioremediation (or enhanced bioremediation)

_____ Excavate and offsite disposal

_____ Chemical oxidation

_____ If Yes: Estimated Volume (Cubic Yards) _____

_____ Air sparge / Soil vapor extraction

_____ Name of Licensed Disposal Facility or COGCC Facility ID # _____

_____ Natural Attenuation

_____ Excavate and onsite remediation

_____ Other _____

_____ Land Treatment

_____ Bioremediation (or enhanced bioremediation)

_____ Chemical oxidation

_____ Other _____

Groundwater Remediation Summary

_____ Bioremediation (or enhanced bioremediation)

_____ Chemical oxidation

_____ Air sparge / Soil vapor extraction

_____ Natural Attenuation

_____ Other _____

GROUNDWATER MONITORING

If groundwater has been impacted, describe proposed monitoring plan, including # of wells or sample points, monitoring schedule, analytical methods, points of compliance. Attach a groundwater monitoring location diagram.

REMEDIATION PROGRESS UPDATE

PERIODIC REPORTING

Approved Reporting Schedule:

Quarterly Semi-Annually Annually Other

Request Alternative Reporting Schedule:

Semi-Annually Annually Other

Rule 913.e:

After initial approval of a Form 27, the Operator will provide quarterly update reports in a Supplemental Form 27 to document progress of site investigation and remediation, unless an alternative reporting schedule has been requested by the Operator and approved by the Director. The Director may request a more frequent reporting schedule based on site-specific conditions.

Report Type: Groundwater Monitoring Land Treatment Progress Report O&M Report
 Other Q1 2023 Status Update

Adequacy of Operator's General Liability Insurance and Financial Assurance

Describe the adequacy of the Operator's general liability insurance and Financial Assurance to fully address the anticipated costs of Remediation, including the estimated remaining cost for this project (below).

If this information has been provided on a Form 27 within the last 12 months, provide the Document Number of that form.

Per Rule 705.b, and in line with guidance laid out in the SBAP, Caerus has general liability insurance in the amount of \$1M, and Caerus has umbrella insurance, which sits over the general liability insurance in the amount of \$75M. The umbrella and general liability insurance covers property damage, bodily injury to third parties, and sudden or accidental pollution under a combined \$76M.

Operator anticipates the remaining cost for this project to be: \$ 10000

WASTE DISPOSAL INFORMATION

Was E&P waste generated as part of this remediation? Yes

Describe beneficial use, if any, of E&P Waste derived from this remediation project:

None

Volume of E&P Waste (solid) in cubic yards 0

E&P waste (solid) description _____

COGCC Disposal Facility ID #, if applicable: _____

Non-COGCC Disposal Facility: _____

Volume of E&P Waste (liquid) in barrels 23

E&P waste (liquid) description impacted soils mixed with hydrovac rinsate

COGCC Disposal Facility ID #, if applicable: _____

Non-COGCC Disposal Facility: Greenleaf Environmental Services

REMEDIATION COMPLETION REPORT

REMEDIATION COMPLETION SUMMARY

Is this a Final Closure Request for this Remediation Project? No

If YES:

- Compliant with Rule 913.h.(1).
 Compliant with Rule 913.h.(2).
 Compliant with Rule 913.h.(3).

Do all soils meet Table 915-1 standards? _____

Does the previous reply indicate consideration of background concentrations? _____

Does Groundwater meet Table 915-1 standards? _____

Is additional groundwater monitoring to be conducted? _____

Operator shall comply with the COGCC 1000-Series Reclamation Requirements for all impacted and disturbed areas.

RECLAMATION PLAN

RECLAMATION PLANNING

Describe reclamation plan. Discuss existing and new grade recontouring; method and testing of compaction alleviation; and reseeding program, including location of new seed, seed mix and noxious weed prevention. Attach diagram or drawing.

Any disturbance will be returned to the active working surface of the well pad for continued operation. When the site is decommissioned at a later date, it will be reclaimed in accordance with 1000 Series regulations.

Is the described reclamation complete? No _____

Does the reclamation described herein constitute interim or final reclamation of the Oil and Gas Location?

Interim

Final

Did the Surface Owner provide the seed mix? _____

If YES, does the seed mix comply with local soil conservation district recommendations? _____

Did the local soil conservation district provide the seed mix? _____

SITE RECLAMATION DATES

Proposed date of commencement of Reclamation. _____

Proposed date of completion of Reclamation. _____

IMPLEMENTATION SCHEDULE

Per Rule 913.d.(2): Any change from the approved implementation schedule will be requested at least 14 days in advance, and the Operator may not make the change without the Director's approval.

PRIOR DATES

Date of Surface Owner notification/consultation, if required. _____

Actual Spill or Release date, or date of discovery. 01/28/2021

SITE INVESTIGATION DATES

Date of Initial Actions described in Site Investigation Plan (start date). 04/14/2021

Proposed site investigation commencement. 09/29/2022

Proposed completion of site investigation. _____

REMEDIAL ACTION DATES

Proposed start date of Remediation. 07/17/2023

Proposed date of completion of Remediation. _____

Per Rule 913.d.(2): Any change from the approved implementation schedule will be requested at least 14 days in advance, and the Operator may not make the change without the Director's approval.

Change from approved implementation schedule per Rule 913.d.(2).

Basis for change in implementation schedule:

OPERATOR COMMENT

This form serves as the 1st Quarter 2023 status update for Remediation Project Number 19518. No work associated with this project has been completed since September 29, 2022. Caerus plans to resume site investigation efforts in late Summer 2023 once Bureau of Land Management (BLM) access stipulations are lifted.

I hereby certify all statements made in this form are to the best of my knowledge true, correct, and complete.

Signed: Sage Maher _____

Title: Project Manager _____

Submit Date: _____

Email: sage.maher@confluence-cc.com _____

Based on the information provided herein, this Application for Site Investigation and Remediation Workplan complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: _____

Date: _____

Remediation Project Number: 19518 _____

COA Type

Description

| COA Type | Description |
|----------|-------------|
| 0 COA | |

Attachment Check List

Upon approval, the approved Form 27 and all listed attachments will be indexed to the Remediation Project file. Only the approved Form 27 will also be indexed to the related Facilities.

Att Doc Num

Name

| Att Doc Num | Name |
|-------------|------|
| | |

Total Attach: 0 Files

General Comments

User Group

Comment

Comment Date

| User Group | Comment | Comment Date |
|------------|---------|---------------------|
| | | Stamp Upon Approval |

Total: 0 comment(s)