

State of Colorado
Energy & Carbon Management Commission



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Document Number:
403936968

Date Received:
09/27/2024

Spill report taken by:
Arauzo, Steven

Spill/Release Point ID:
487580

SPILL/RELEASE REPORT (SUPPLEMENTAL)

This form is to be submitted by the party responsible for the oil and gas spill or release. Refer to ECMC Rule 912.b. for reporting requirements of spills or releases of E&P Waste, produced Fluids, or unauthorized Releases of natural gas. Submit a Site Investigation and Remediation Workplan (Form 27) if Rule 913.c. applies.

OPERATOR INFORMATION

| | | |
|--|---------------------------|--|
| Name of Operator: <u>CAERUS PICEANCE LLC</u> | Operator No: <u>10456</u> | Phone Numbers |
| Address: <u>1001 17TH STREET #1600</u> | | Phone: <u>(970) 640-6919</u> |
| City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u> | | Mobile: <u>(970) 640-6919</u> |
| Contact Person: <u>Blair Rollins</u> | | Email: <u>brollins@caerusoilandgas.com</u> |

Transfer of Operatorship: Pursuant to Rule 912.f, this Supplemental Form 19 is being submitted to designate the Buying Operator as the responsible Operator for this Spill and Release.

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 403888424

Initial Report Date: 08/13/2024 Date of Discovery: 08/13/2024 Spill Type: Recent Spill

Spill/Release Point Location:

QTRQTR NESW SEC 22 TWP 5S RNG 96W MERIDIAN 6

Latitude: 39.598907 Longitude: -108.159546

Municipality (if within municipal boundaries): _____ County: GARFIELD

Enter Lat./long measurement of the actual Spill/Release Point. Lat./Long. Data shall meet standards of Rule 216.

Check this box if this spill/release is related to a loss of integrity of a flowline, pipeline, crude oil transfer line, or produced water transfer line.

Reference Location:

Facility Type: WELL SITE Facility/Location ID No 335648

Spill/Release Point Name: K22 05D Well API No. (Only if the reference facility is well) 05- -

No Existing Facility or Location ID No.

Estimated Total Spill Volume: use same ranges as others for values

| | |
|---|--|
| Estimated Oil Spill Volume(bbl): <u>0</u> | Estimated Condensate Spill Volume(bbl): <u>0</u> |
| Estimated Flow Back Fluid Spill Volume(bbl): <u>0</u> | Estimated Produced Water Spill Volume(bbl): <u>Unknown</u> |
| Estimated Other E&P Waste Spill Volume(bbl): <u>0</u> | Estimated Drilling Fluid Spill Volume(bbl): <u>0</u> |

Specify: Underground flowline release

Has the subject Spill/Release been controlled at the time of reporting? Yes

Land Use:

Current Land Use: NON-CROP LAND Other(Specify): _____

Weather Condition: Cloudy

Surface Owner: FEE Other(Specify): Caerus Oil and Gas

Describe what is known about the spill/release event (what happened -- including how it was stopped, contained, and recovered):

Operator performed a pressure test that failed. He isolated the well and the equipment and blew down the pressure. He then called OCC and notified EHS on call.

List of Agencies and Other Parties Notified Pursuant to Rule 912.b.(7)-(11):

OTHER NOTIFICATIONS

| <u>Date</u> | <u>Agency/Party</u> | <u>Contact</u> | <u>Phone</u> | <u>Response</u> |
|-------------|---------------------|----------------|--------------|-----------------|
| 8/13/2024 | CPW | Taylor Elm | 970-986-9767 | Email |
| 8/13/2024 | Garfield County | Kirby Wynn | 970-625-5905 | Email |
| 8/13/2024 | ECMC | Steven Arauza | 720-498-5298 | Email |

REPORT CRITERIA

Rule 912.b.(1) Report to the Director (select all criteria that apply):

No Rule 912.b.(1).A: A Spill or Release of any size that impacts or threatens to impact any Waters of the State, Public Water System, residence or occupied structure, livestock, wildlife, or publicly-maintained road.

Waters of the State: _____ Public Water System: _____
Residence or Occupied Structure: _____ Livestock: _____
Wildlife: _____ Publicly-Maintained Road: _____

No Rule 912.b.(1).B: A Spill or Release in which 1 barrel or more of E&P Waste or produced fluids is spilled or released outside of berms or other secondary containment.

No Rule 912.b.(1).C: A Spill or Release of 5 barrels or more of E&P Waste or produced Fluids regardless of whether the Spill or Release is completely contained within berms or other secondary containment.

No Rule 912.b.(1).D: Within 6 hours of discovery, a Grade 1 Gas Leak. For a Grade 1 Gas Leak from a Flowline, the Operator also must submit the Form 19 – Initial, document number on a Form 44, Flowline Report, for the Grade 1 Gas Leak

Enter the approximate time of discovery _____ (HH:MM)
Enter the Document Number of the Grade 1 Gas Leak Report, Form 44 _____
Was there a reportable accident associated with either a Grade 1 Gas Leak or an E&P waste spill or release? _____
Enter the Document Number of the Initial Accident Report, Form 22 _____
Was there damage during excavation? _____
Was CO 811 notified prior to excavation? _____

No Rule 912.b.(1).E: The discovery of 10 cubic yards or more of impacted material resulting from a current or historic Spill or Release. Discovery and reporting will not be contingent upon confirmation samples demonstrating exceedance of Table 915-1 standards.

Estimated Volume of Impacted Solids (cu. yd.): _____

No Rule 912.b.(1).F: The discovery of impacted Waters of the State, including Groundwater. Discovery and reporting will not be contingent upon confirmation samples demonstrating exceedance of Table 915-1 standards. The presence of free product or hydrocarbon sheen on Groundwater or surface water is reportable. The presence of contaminated soil in contact with Groundwater or surface water is reportable. Check all that apply:

- The presence of free product or hydrocarbon sheen Surface Water
- The presence of free product or hydrocarbon sheen on Groundwater
- The presence of contaminated soil in contact with Groundwater
- The presence of contaminated soil in contact with Surface water

| | |
|-----|--|
| Yes | Rule 912.b.(1).G: A suspected or actual Spill or Release of any volume where the volume cannot be immediately determined, including a spill or release of any volume that daylight from the subsurface. |
| No | Rule 912.b.(1).H: Spill or Release resulting in vaporized hydrocarbon mists that leave the Oil and Gas Location or Off-Location Flowline right of way from an Oil and Gas Location and impacts or threatens to impact off-location property. <input type="checkbox"/> Areas offsite of Oil & Gas Location <input type="checkbox"/> Off-Location Flowline right of way |
| No | Rule 912.b.(1).I: A Release of natural gas that results in an accumulation of soil gas or gas seeps. |
| No | Rule 912.b.(1).J: A Release that results in natural gas in Groundwater. |

CORRECTIVE ACTIONS

#1 Supplemental Report Date: 09/27/2024

Root Cause of Spill/Release Corrosion
 Other (specify) _____

Type of Equipment at Point of Spill/Release: Other
 If "Other" selected above, specify or describe here:

Describe Incident & Root Cause (include specific equipment and point of failure)

Describe measures taken to prevent the problem(s) from reoccurring:

Volume of Soil Excavated (cubic yards): 10

Disposition of Excavated Soil (attach documentation) Offsite Disposal Onsite Treatment
 Other (specify) Onsite staging and sampling

Volume of Impacted Ground Water Removed (bbls): 0
 Volume of Impacted Surface Water Removed (bbls): 0

REQUEST FOR CLOSURE

Spill/Release Reports should be closed when impacts have been remediated or when further investigation and corrective actions will take place under an approved Form 27.

- Basis for Closure: Corrective Actions Completed (documentation attached, check all that apply)
- Horizontal and Vertical extents of impacts have been delineated.
 - Documentation of compliance with Table 915-1 is attached.
 - All E&P Waste has been properly treated or disposed.
 - Work proceeding under an approved Form 27 (Rule 912.c).
 Form 27 Remediation Project No: _____
 - SUSPECTED Spill/Release did not occur or was below Rule 912.a.(5) reporting thresholds.

OPERATOR COMMENTS:

Based on field assessment and desktop review of surface water and groundwater features within the area, Caerus requests to utilize CECMC Table 915-1 Residential Soil Screening Level (RSSL) Concentrations for the project. The nearest water well is located 0.99 miles away from the K22 pad and depth to groundwater was not found in the well. The well notes indicate the well was drilled to 34 feet below ground surface. The well is located at least 300 feet lower in elevation than the K22 well pad. Based on these details Caerus requests to utilize the CECMC Table 915-1 RSSL concentrations for the project.

Caerus is requesting to utilize CECMC Table 915-1 Footnote 11 to address elevated concentrations of arsenic found in soil samples associated with the project. Caerus has collected background soil samples from the native undisturbed background soil locations near the F23 596 (Location ID 335667) which are outlined in the attached report of work completed. Arsenic concentrations exhibited in all site assessment soil samples are within the background range for arsenic within the area.

Caerus requests to utilize CECMC Table 915-1 Footnote 1 to address elevated concentrations of pH in all site assessment soil samples. Caerus has collected background soil samples from the native undisturbed background soil locations near the F23 596 (Location ID 335667) which are outlined in the attached report of work completed. pH concentrations exhibited in the site assessment soil samples are within the background range for pH within the area.

Based on the site investigation and laboratory analytical results presented in the attached report of work completed, Caerus requests closure and no further action for CECMC Spill/Release Point ID 487580.

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

Signed: _____ Print Name: Blair Rollins
 Title: Environmental Specialist Date: 09/27/2024 Email: brollins@qb-energy.com

| <u>COA Type</u> | <u>Description</u> |
|-----------------|--------------------|
| 0 COA | |

ATTACHMENT LIST

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|-------------|
| 403936971 | OTHER |

Total Attach: 1 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|----------------|---------------------|
| | | Stamp Upon Approval |

Total: 0 comment(s)