

**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:

10/08/2024

Submitted Date:

10/11/2024

Document Number:

696206367

FIELD INSPECTION FORM

Loc ID: 335781 Inspector Name: Trujillo, Aaron On-Site Inspection: 2A Doc Num: _____

Status Summary:

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED

Operator Information:

ECMC Operator Number: 10456
Name of Operator: CAERUS PICEANCE LLC
Address: 1001 17TH STREET #1600
City: DENVER State: CO Zip: 80202

Findings:

- 17 Number of Comments
- 1 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	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
335781	LOCATION	AC			-	Parachute Creek 5A	RI

General Comment:

On 10/8/2024, Western Reclamation Work Lead Trujillo conducted an inspection at Caerus Piceance LLC's (QB Energy) Parachute Creek/5A location in Garfield County, Colorado.

The following compliance issues were observed during this inspection
-Stormwater

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

Refer to the photo-documentation of the observed compliance issues attached to this report.

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

Location

Overall Good:

Signs/Marker:			
Type	BATTERY		
Comment:			
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:	Information at signage is beginning to peel. Maintenance advised.		
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	
Type	CONTAINERS		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:			
Comment:	1-970-285-2615 / 911		
	Caerus has entered into an agreement with QB Energy Operating LLC to purchase 100% of the Caerus Piceance Assets. 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.		
Corrective Action:		Date:	

Overall Good:

Spills:			
Type	Area	Volume	

In Containment: No

Comment: Spill issues per inspection #696205628 have been resolved.

Multiple Spills and Releases?

Fencing/:			
Type	TANK BATTERY		
Comment:	Livestock panels		
Corrective Action:		Date:	
Type	SEPARATOR		
Comment:	Livestock panels and barbed wire		
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:	Livestock panels		
Corrective Action:		Date:	

Venting:			
Yes/No			
Comment:			

Corrective Action:		Date:	
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Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities

Facility ID: 335781 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? _____ 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 REVEGETATION

Cropland

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 Additional reclamation efforts evident within interim areas of the Location. Additionally, areas of the working pad surface on the east end of the Location have been recontoured to manage stormwater, and appear to have been seeded.

Continue to monitor and manage interim areas of the Location. Conduct work as needed to ensure vegetation progresses towards 1003 standards.

Corrective Action Date _____

Overall Interim Reclamation In Process

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: OTHER, 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"/>

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Ditches						
Rip Rap						Inlet/outlet armoring. Traps, culverts.
Mulching						Straw, possible over-application. Not crimped
Gravel						Access road/Lease Road intersection
Sediment Traps						x3, eastern interim, east end of the Location
Gravel						West pad. See comments
Slope Roughening						Tracking
Sediment Traps						SE Western Pad
Hydro Mulch						
Berms						
Compaction						West pad. See comments

Comment: [See "COGCC Comments" at the end of this report.](#)

Corrective Action: Install or repair required BMPs per Rule 1002.f.

Date: 10/17/2024

Pits: NO SURFACE INDICATION OF PIT

ECMC Comments

Comment	User	Date
<p>Previous inspections observed that stormwater and erosion control measures were missing or insufficient on the Location.</p> <p>-Stormwater ponding has persisted on the east end of the Location, resulting in ponding around the wells. BMPs to minimize contact of stormwater with equipment and production activities are missing or insufficient, and places stormwater at risk of pollution</p> <p>-Location surface lacks stabilization with insufficient vehicle tracking BMPs in place to minimize transportation of sediment (FIR 708301855).</p> <p>It was observed in this inspection that additional contour work and BMPs have been implemented to address ponding and runoff concerns along the east end of the Location. This CA has been resolved.</p> <p>Operator appears to have performed grading operations to address tracking and stabilization concerns observed during the 3/15/2024 inspection. Unclear if additional controls were implemented to address the tracking and stabilization concerns; BMPs to stabilize the working pad surface, as well as to minimize tracking during wet conditions show sign of disrepair and/or do not appear sufficient; gravel is thin throughout the western pad; compaction is failing and tracking is becoming evident. Maintenance advised.</p> <p>It was also observed in this inspection that stormwater runoff from the main lease road is not being properly diverted- stormwater appears to be running onto the access road, resulting in degradation and sediment deposition onto the working pad surface. Improper management of the runoff is likely contributing to the ponding and stabilization concerns observed. Installation and/or maintenance of stormwater and erosion control BMPs to minimize erosion, degradation and sediment transport required. It is noted that the lease road entrance is shared between QB Energy/Caerus and TEP. CA is also being provided for the adjacent CHEVRON-66S96W/17NWE (#335654). It is ECMC's expectation that both Operators will coordinate to resolve the stormwater diversion issue.</p>	trujilloam	10/11/2024

Attached Documents

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

Document Num	Description	URL
403954869	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6743200
696206368	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6743184