

**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: _____**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:17 Number of Comments1 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.

LocationOverall 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:	
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 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

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 Multi-Well Location

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