

**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:

10/15/2024

Submitted Date:

10/16/2024

Document Number:

696206375**FIELD INSPECTION FORM**Loc ID 479149 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:**9 Number of Comments2 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
479149	LOCATION	AC			-	BJU B26-496 Pad	RI

General Comment:

On 10/15/2024, Western Reclamation Work Lead Trujillo conducted an interim reclamation and stormwater inspection at Caerus Piceance LLC's BJU/B26-496 Pad location in Garfield County, Colorado.

Noted: Caerus has entered into an agreement with QB Energy Operating LLC to purchase 100% of the Caerus Piceance Assets. At time of inspection and writing of this report, Caerus is listed as the Operator on record for the Location and wells.

It was observed that interim reclamation operations were in process.

The following compliance issues were observed during this inspection:

- Stormwater
- Fencing/Safety requirements

Refer to the Location and Reclamation 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	CONTAINERS		
Comment:			
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	
Type	BATTERY		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment: 970-285-2615

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:

☐ Multiple Spills and Releases?

Fencing/:			
Type	WELLHEAD		
Comment:	Excavation at the BJU B26 Fed 21D-26-45 well. Pit has been fenced with livestock panels.		
Corrective Action:		Date:	
Type	OTHER		
Comment:	Possible bore hole or sink hole observed on the northeast end of the Location; hole is approximately 2-3 feet by 1 foot; Inspector was unable to observe bottom of the pit. No safety fencing has been installed at hole.		
Corrective Action:	Install safety fencing and/or other BMPs to prevent access to hole by people of wildlife. Maintain Fencing/BMPs until hole is repaired.	Date:	10/18/2024

Venting:

Yes/No

Comment:			
Corrective Action:		Date:	
Flaring:			
Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities									
Facility ID:	479149	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: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____

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? PassComment Cuttings-trench backfilled. Cellars at wells backfilled.

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment Anchors not observed.

Corrective Action _____

Date _____

1003b. Area no longer in use? _____ In _____	Production areas stabilized ? _____ In _____
1003c. Compacted areas have been cross ripped? _____	
1003d. Drilling pit closed? _____ Pass _____	Subsidence over on drill pit? _____
Cuttings management: _____ Off-site disposal _____	
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? _____ In _____
RESTORATION AND REVEGETATION	
<u>Cropland</u>	
Top soil replaced _____	Recontoured _____ Perennial forage re-established _____
<u>Non-Cropland</u>	
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	It was observed that Interim Reclamation activities were "in process"- at time of inspection Operator was in the process of conducting contouring operations. Continue with interim reclamation. Ensure erosion controls are implemented to stabilize the seeded soil, and continue to monitor and manage this site until Final Reclamation has passed
Corrective Action	
Date _____	
Overall Interim Reclamation In Process	

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____	Date Final Reclamation Completed: _____
Final Land Use: RANGELAND _____	
Reminder: _____	
Comment: <div style="border: 1px solid black; height: 20px;"></div>	
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: <div style="border: 1px solid black; height: 20px;"></div>	

Corrective Action: <input style="width: 600px;" type="text"/>						Date <input style="width: 100px;" type="text"/>
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
<div style="border: 1px solid black; padding: 10px;"><p>Comment: It was observed that stormwater and erosion control measures are missing or insufficient:</p><ul style="list-style-type: none">-BMPs to minimize erosion, degradation and sediment transport are missing or insufficient along the eastern perimeter of the Location's disturbance. BMPs previously implemented, including erosion logs, appear to have have either been removed, not maintained, or covered during current construction/interim reclamation operations.-Soils on the working pad surface are unstable/loose/powdery and at risk of becoming fugitive dust.<p>Corrective Action: Comply with Rule 1002.f- Install or repair required perimeter fstormwater and erosion control measures. Ensure BMPs are maintained per good engineering practices.</p><p>Implement fugitive dust control measures in accordance with Rule 1002.f, and Form 2A #402340696 COA #3.</p></div> <div style="text-align: right; margin-top: 10px;">Date: 10/18/2024</div>						
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						

ECMC Comments		
Comment	User	Date
Pursuant to Operator's Reclamation plan (#403909113), road north of the Location will be reclaimed; pursuant to Form 4 #403940442, road will be retained until well completion operations are finished BJU M23A 496, due to a shared completions pad and temporary frac lines in place.	trujilloam	10/16/2024

Attached Documents

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

Document Num	Description	URL
403959932	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6748964
696206376	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6748963