

**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:

03/17/2025

Submitted Date:

03/19/2025

Document Number:

718100310

FIELD INSPECTION FORMLoc ID 335676 Inspector Name: Trujillo, Aaron On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

ECMC Operator Number: 10456

Name of Operator: CAERUS PICEANCE LLC

Address: 1001 17TH STREET #1600

City: DENVER State: CO Zip: 80202

Status Summary:☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**

13 Number of Comments

3 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	
Kellerby, Shaun		shaun.kellerby@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
335676	LOCATION	AC			-	NPR K10-596	RI

General Comment:

On 3/17/2025, Western Reclamation Work Lead Trujillo conducted an interim reclamation and stormwater inspection at Caerus Piceance LLCs' NPR 510-596 location in Garfield County, Colorado.

Location is Fee Surface / Fee Mineral

Location is within the following High Priority Habitats: Aquatic Native Species Conservation Waters; Elk Winter Concentration Area; Mule Deer Migration Corridor.

The following compliance issues were observed during this inspection:

- Mechanical integrity / Venting
- Wildlife protections / Secondary containment
- Stormwater / Stockpile protections

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	CONTAINERS		
Comment:			
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	
Type	OTHER		
Comment:	Location		
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment: 970-285-2615 / 911

Corrective Action:

Date: _____

Overall Good: ☒

Spills:			
Type	Area	Volume	

In Containment: No

Comment:

☐ Multiple Spills and Releases?

Equipment:			corrective date
Type:	#		
Comment:	Secondary containment at pipeline equipment on the south end of the Location has filled with fluids; a chemical sheen is evident. Wildlife protection BMPs are also missing from the containment BMP.		
Corrective Action:	Remove and properly dispose fluids within containmnet. Install or repair wildlife protection equipment.		Date: 03/26/2025

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	1	200 BBLS	STEEL AST		,
Comment:	The hatch at the produced water tank is broken and the tank is currently open/venting. ECMC Staff provided notice of the damaged equipment and venting issues to Gas Control at approximately 14:55 Hours on the date of inspection.				

Corrective Action:	Operator shall control emissions to prevent pollution and adverse impacts to air. Maintain tank equipment to comply with 608 Rules	Date:	03/18/2025
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Paint

Condition		
Other (Content)		
Other (Capacity)		
Other (Type)		

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal				Adequate
Comment:	Containment BMP appeared to be in proper functioning condition at time of inspection.			
Corrective Action:			Date:	

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities									
Facility ID:	335676	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 _____ Fail _____

Comment

It was observed in this inspection Operator has placed a soil stockpile on the northeast end of the working pad surface, within areas of the perimeter stormwater diversion ditch- placement of stockpiles within a stormwater diversion ditch does not comport with stockpile protection requirements, and places the soils at risk to commingling with stormwater runoff, and sediment transport.

It was also observed that the erosion log at the stockpile has been crushed, and is no longer in proper functioning condition.

Corrective Action **Comply with Rules 1002.c and 1002.f.**Date **03/26/2025**

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____ Pass _____

Comment

No waste or debris observed on the interim or production areas of the Location.

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____ Pass _____

Comment

No unused or unneeded equipment observed on the interim or production areas of the Location.

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

The overall status of the interim reclamation on the Location is "in process". However, there are areas on the east end of the Location where desirable perennial vegetative establishment does not appear to be uniform. Additional seeding efforts will likely be necessary within these areas.

A follow-up inspection will be conducted as the 2025 growing season progresses to evaluate compliance with 1003 requirements.

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 _____

Inspector Name: Trujillo, Aaron

Comment:		Date
Corrective Action:		
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
Gravel	In Process					
Compaction	In Process					
Berms						
Ditches	In Process					See "1002.c"

Comment:	BMPs to stabilize, as well as to minimize erosion, degradation and vehicle tracking/sediment transport at the working pad surface and access road show signs of disrepair; vehicle tracking/rutting is becoming evident. Maintenance advised to ensure BMPs remain in proper functioning condition.	Date:
Corrective Action:		
Pits:	<input type="checkbox"/> NO SURFACE INDICATION OF PIT	

ECMC Comments

Comment	User	Date
Work is evident at the two "TA" wells on the Location; the N. Parachute WF11B 510 596 (API 05-045-11345) and the N. Parachute WF05D L10 596 (API 05-045-11347). Pursuant to Form 6A #403213733, wells are to be PAd 12/31/2027. Areas around the wells have been excavated and orange safety fencing installed. No recent records/forms on file within well records; it is unclear as to what work being performed.	trujilloam	03/19/2025

Attached Documents

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

Document Num	Description	URL
718100311	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6966070