

**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:

03/25/2025

Submitted Date:

03/28/2025

Document Number:

718100390

FIELD INSPECTION FORMLoc ID 485795 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:

26 Number of Comments

10 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	
Roberts, James		j75rober@blm.gov	Rio Blanco, Moffat
Noto, John		john.noto@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
485124	LOCATION	AC			-	PCU FED B27-197	CI
485795	LOCATION	AC			-	PCU FED B27-197	CI
486801	WELL	AL	02/03/2025		103-12682	RNPU B27 FED 14A-22-197	RI
486804	WELL	AL	02/03/2025		103-12685	RNPU B27 FED 13D-22-197	RI
486807	WELL	AL	02/03/2025		103-12688	RNPU B27 FED 14B-22-197	RI
486816	WELL	AL	02/03/2025		103-12697	RNPU B27 FED 24C-22-197	RI

General Comment:

On 3/25/2025, Western Reclamation Work Lead Trujillo conducted a pre-drill construction and stormwater inspection at Caerus Piceance LLC's PCU FED/B27-197 location in Rio Blanco County, Colorado.

Location is Fed Surface / Fed Minerals

Location is within the following High Priority Habitats: Elk Winter Concentration Area; Mule Deer Severe Winter Range; Mule Dee Winter Concentration Area

The following compliance issues were observed in this inspection:

- Signage Posting Requirements
- Permit Posting Requirements
- Location Disturbance exceeds the Form 2A permitted Location disturbance area
- Cellar Covering Requirements
- Form 2A COA Requirements
- Stormwater
- Topsoil Protections
- Good Housekeeping
- Conductor Plugging Requirements

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

Refer to the photo-documentation attached to this report.

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

LocationOverall Good: ☐**Signs/Marker:**

Type	OTHER		
Comment:	<p>For new Oil and Gas Locations, from the time of construction until Reclamation is complete, the Operator will post a sign at the entrance to an Oil and Gas Location that includes the: (1) Oil and Gas Location name; (2) Commission's assigned Oil and Gas Location identification number (ID #); (3) The Operator's telephone number where it may be reached at all times; and (4) Telephone number(s) for local emergency services (911 where available).</p> <p>Signage at the Location entrance has not been posted pursuant to Rule 605.a.</p>		
Corrective Action:	<p>Comply with Rule 406.c.</p> <p>Signage was required to be posted at time of construction; pursuant to Form 42 #403811000, construction commenced 6/5/2024. Therefore, the date of construction is being posted as the CA date.</p>	Date:	06/05/2024
Type	OTHER		
Comment:	Signage posted at the intersection of the lease road and public road pursuant to Rule 406.b		
Corrective Action:		Date:	
Type	OTHER		
Comment:	A copy of the approved Form 2A, and any Form 4 modifying the approved Form 2A has not been posted in a protected and conspicuous place on Location pursuant to Rule 406.c		
Corrective Action:	<p>Comply with Rule 406.c.</p> <p>Permit was required to be posted upon commencement of operations; pursuant to Form 42 #403811000, construction commenced 6/5/2024. Therefore, the date of construction is being posted as the CA date.</p>	Date:	06/05/2024

Emergency Contact Number:

Comment: 970-285-2615 / 911 Access road intersection.

Corrective Action:

Date: _____

Good Housekeeping:

Type			
Comment:	<p>Unused erosion log and staking materials observed at the Location entrance; unused stakes also observed stored next to the stockpile on the southwest end of the Location. Unused pallet observed stored on the cut slopes on the south end of the Location.</p> <p>Metal equipment (possibly metal sign posts?) observed stored off of the working pad surface, on the western fill slopes of the Location</p>		
Corrective Action:	<p>Remove unused materials/trash/debris pursuant to 606 Requirements.</p> <p>Remove equipment stored on the fill slopes of the location and ensure that the storage of all equipment, materials and all other supplies necessary for use on the Location is restricted to the Working Pad Surface of the Location.</p>	Date:	04/04/2025

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Equipment:**

Type: Other	#		corrective date
Comment:	22 cellars/conductors have been drilled on the Location. Conductors have been covered with a welded plate pursuant to 406.e.(3)A. Cellars have not been covered pursuant to Rule 406.e.(3)B		
Corrective Action:	Comply with Rule 406.e.(3)B		Date: 04/04/2025

Venting:

Yes/No			
Comment:			
Corrective Action:			Date:

Flaring:

Type			
Comment:			
Corrective Action:			Date:

Location ConstructionLocation ID: 485795 CDP:

Comment: Pursuant to Location Permit Form 2A #403206163, the size of the disturbance area during construction is 7.35 acres. With use of a sUAS, the disturbance area for the Location was measured to be 7.52 acres; this Location exceeds the approved permitted disturbance area.

Corrective Action: Date: **Form 2A COAs:**Comment: Corrective Action: Date: **Wildlife BMPs:**Comment: Corrective Action: Date: **Stormwater:**

Erosion BMPs	Present	Other BMPs	Present
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	Yes	No	
Comments: Erosion BMPs:	<p style="color: red;">ACCESS ROAD- Culverts</p> <p style="color: red;">Several culverts / sediment traps have been constructed along the access road leading to the Location; Armoring observed to be insufficient at several culverts. Intlets/outlets at the sediment traps have not been installed per good engineering practices, including rip-rap material in conjunction with geotextile lining; degradation evident.</p>		
Other BMPs:	<p style="color: red;">Weed debris accumulation was also observed within multiple sediment trap/culvert inlets.</p>		
Corrective Action:		<p style="color: red;">Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices to minimize erosion, degradation and sediment transport at the culverts and associated sediment traps.</p>	<p style="text-align: right;">Date: 04/04/202 5</p>
Comply with 606 Rules- Remove and dispose weed debris within BMPs			
	No		
Comments: Erosion BMPs:	<p style="color: red;">Soils at the pipeline corridor disturbance leading west of the Location are bare. BMPs to stabilize, as well as to minimize erosion and degradation are missing or insufficient.</p>		
Other BMPs:	<p style="color: red;">Erosion logs (straw wattles) have been implemented along the outer edges of the disturbed areas to minimize sediment transport. However sections of erosion logs were observed to have not been installed per good engineering practices; gaps evident beneath sections of erosion logs; sections not properly trenched or backfilled.</p> <p style="color: red;">Erosion logs alone are inadequate to minimize erosion, degradation and sediment transport along the pipeline disturbance.</p>		
Corrective Action:		<p style="color: red;">Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices to minimize erosion, degradation and sediment transport along the pipeline corridor</p>	<p style="text-align: right;">Date: 04/04/202 5</p>
BERMS	Yes		
Comments: Erosion BMPs:	<p style="color: red;">Perimeter of the working pad surface</p>		
Other BMPs:	<p style="color: red;">Toe of the fill slopes on the northwest and northeast end of the Location.</p>		
Corrective Action:			Date: _____
DITCHES	Yes	No	
Comments: Erosion BMPs:	<p style="color: red;">Diversion ditches along access road.</p>		
Other BMPs:	<p style="color: red;">Velocity Checks/Controls not observed at ditches along access road.</p>		
Corrective Action:			Date: _____
	Yes		
Comments: Erosion BMPs:	<p style="color: red;">Retaining walls installed at each SCB.</p>		
Other BMPs:	<p style="color: red;"></p>		
Corrective Action:			Date: _____

	No		
Comments: Erosion BMPs:		Cut and fill slopes of the location composed of fine soils and rock aggregate. BMPs to stabilize, as well as to minimize erosion and degradation at the cut and fill slopes are missing or insufficient.	
Other BMPs:			
Corrective Action: Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices to minimize erosion and degradation at the cut and fill slopes.			Date: 04/04/2025

WADDLES	Yes		
Comments: Erosion BMPs:		Erosion logs installed along the perimeters of the Location and soil stockpiles; see 1002.c "Protection of Soils".	
Other BMPs:			
Corrective Action:			Date:

RETENTION PONDS	Yes		
Comments: Erosion BMPs:		"Sediment Control Basins" have been constructed on the Northeast, Northwest and Southwest ends of the Location. Outlets of the BMPs have not been installed per good engineering practice- Outlets at the NW/SW SCB are inadequate in size; the slopes at the outlet are only partially armored; soils below the rip-rap/outlet are loose, unconsolidated soils.	
Other BMPs:		The outlets at all three SCBs have also not been constructed with geotextile lining in conjunction with the Rip-rap material per good engineering practice.	
Corrective Action: Comply with Rule 1002.f- Install or repair BMPs in accordance with good engineering practices at the "Sediment Control Basins" (Sediment traps)			Date: 04/04/2025

	Yes		
Comments: Erosion BMPs:		ACCESS ROAD- Slopes. Hydromulch in conjunction with erosion logs and/or surface roughening have been implemented at the cut and fill slopes of the access road. BMPs appeared to be in proper functioning condition at time of inspection, however, areas of hydromulch are beginning to degrade. Maintenance advised.	
Other BMPs:			
Corrective Action:			Date:

	Yes		
Comments: Erosion BMPs:		Hydromulch applied to the soil stockpiles on Location; see 1002.c "Protection of Soils".	
Other BMPs:			
Corrective Action:			Date:

Comment:

Corrective Action: **Date:** _____

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Inspector Name: Trujillo, Aaron

Phone Number: _____

Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____

Phone Number: _____

Date Onsite Request Received: _____

Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____

Phone Number: _____

Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

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 _____

With use of a sUAS, it was measured that Operator salvaged approximately 5,922.75 cubic yards of topsoil; Operator has salvaged to an average depth of 7.34 inches over the 6 acre area of the Location subject to 1002.b requirements; or 6.12 inches taking a 20% swell factor into consideration.

Topsoil is currently stockpiled within areas identified with the Construction Layout Drawing.

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ In Process

Comment _____

Hydromulch applied to the south facing slopes of the southern topsoil stockpile show signs of disrepair, though plant germination was observed- monitoring/maintenance advised.

Erosion log previously placed along the western perimeter of the southern stockpile appears to have been removed; perimeter controls missing from these areas of the stockpile.

Hydromulch applied to the east facing slopes of the eastern topsoil stockpile has either not been installed per good engineering practice, or maintained in proper functioning condition; soils at stockpile are bare and lack stabilization; germination within these areas not apparent.

It was also observed that erosion logs along sections of the eastern stockpile are also in disrepair.

Corrective Action _____

Comply with Rules 1002.c and 1002.f- Install or repair BMPs to protect stockpiled soils from wind and water erosion.

Date **04/04/2025**

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

Operator received a variance to Rule 406.e.(4) to extend the time to commence drilling operations following the setting of conductors for the well pad to 12 months. Operator received a variance to Rule 1003.b to extend the timeline to conduct interim reclamation to 30 months after setting the last conductor for the wells on the Pad.

Records show conductors were set 8/2024. Commencement of drilling operations for conductors/wells required by 8/2025; Interim Reclamation of the Location required by March 2027.

Corrective Action _____

Date _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____

Date Final Reclamation Completed: _____

Final Land Use: 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: [See "AL Wells, Conductors" under "COGCC Comments" at the end of this report.](#)

Corrective Action: [Comply with Rule 406.e.\(4\)](#)

Date **04/28/2025**

Overall Final Reclamation _____

Well Release on Active Location ☐

Multi-Well Location ☐

ECMC Comments

Comment	User	Date
Well 05-103-12893 and 103-12891 share the same Lat / Long, and are currently "stacked" on COGIS. Conductors for each well with an active permit on the Location have been drilled and set.	trujilloam	03/28/2025
Existing coordinate issues will need to be resolved during completion, when the Form 5, Final Drilling Completion report is submitted pursuant to Rule 404.b.(2)F		
AL WELLS AND CONDUCTORS	trujilloam	03/28/2025
Of the 22 wells that have been permitted on the Location, Operator has abandoned Four (4) Form 2 Permits to Drill, for the following wells:		
103-12682- Conductor Set 8/19/2024; Well permit abandoned via Form 4 #404079017.		
103-12685- Conductor Set 8/19/2024; Well permit abandoned via Form 4 #404078922.		
103-12688- Conductor Set 8/20/2024; Well permit abandoned via Form 4 #404079056.		
103-12697- Conductor Set 8/12/2024; Well permit abandoned via Form 4 #404079056.		
It was observed in this inspection that 22 conductors/cellars remain on the Location. However, only 18 approved Form 2, Application for Permit to Drill, remain "Active".		
Operator received a variance to Rule 406.e.(4), to extend the time to commence drilling operations following the setting of conductors for the well pad to 12 months. Since wells have been abandoned and will not be drilled, variance to Rule 406.e.(4) does not apply; the Conductors/Cellars associated with the "AL" wells on the Location require plugging and removal.		
Two Location IDs currently exist for this site:	trujilloam	03/28/2025
Pursuant to Order No. 1-328, Operator was granted a variance from Rules 303, 304, 306 and 307 to allow construction of the Access Road to the Location, prior to receiving an approved OGDG and Form 2A, Oil and Gas Location Assessment permit.		
Location ID No. 485124 was created in order to have a facility ID form Form submission prior to approval of the 2A.		
Operator received approval of OGDG #485279 and Form 2A #403206163. However, Operator did not amend the Existing Location ID on the Form 2A, resulting in a second Location ID (#485795) being created at this site.		
Including ECMC LAS Supervisor Noto on inspection report for notification purposes.		

Attached Documents

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

Document Num	Description	URL
404145825	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6981720
718100391	Inspection Photos and Drone Report	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6981713

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