

State of Colorado
Energy & Carbon Management Commission1120 Lincoln Street, Suite 801, Denver, Colorado 80203
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Report taken by:

John Heil

Site Investigation and Remediation Workplan (Supplemental Form)

This form shall be submitted to the Director for approval prior to the initiation of site investigation and remediation activities. However, this shall not preclude the Operator from taking immediate action to protect public health or safety, the environment, wildlife, or livestock.

This Form 27 describes site conditions as currently understood by the Operator; approval of this Form 27 by ECOM is based on the site conditions accurately described herein; any changes in site conditions identified during or subsequent to the performance of the approved workplan may necessitate additional investigation or remediation which shall be described on a supplemental Form 27. This Form 27 is intended to provide basic information regarding the proposed site investigation and remediation actions, but the workplan may be more fully described in attached documentation.

Closure request is not available for an Initial Site Investigation and Remediation Workplan.

OPERATOR INFORMATION

Name of Operator: QB ENERGY OPERATING LLC	Operator No: 10844	Phone Numbers Phone: (720) 830-7549 Mobile: (720) 830-7549
Address: 1001 17TH STREET SUITE 1600		
City: DENVER	State: CO	Zip: 80202
Contact Person: Derek Horn	Email: dhorn@qb-energy.com	

PROJECT, PURPOSE & SITE INFORMATION

PROJECT INFORMATION

Remediation Project #: 37499 Initial Form 27 Document #: 403892461

PURPOSE INFORMATION

- ☐ Rule 913.c.(1): Pit or Cuttings Trench closure.
- ☐ Rule 913.c.(2): Buried or partially buried vessel closure, which will be by removal.
- ☒ Rule 913.c.(3): Remediation of Spill and Releases pursuant to Rule 912.
- ☐ Rule 913.c.(4): Land treatment of Oily Waste pursuant to Rule 905.e.
- ☐ Rule 913.c.(5): Closure of Centralized E&P Waste Management Facilities pursuant to Rule 907.h.
- ☐ Rule 913.c.(6): Remediation of impacted Groundwater pursuant to Rule 915.e.(3).D, and the contaminant concentrations in Table 915-1.
- ☐ Rule 913.c.(7): Investigation and remediation of natural gas in soil or Groundwater.
- ☐ Rule 913.c.(8): When requested by the Director due to any potential risk to soil, Groundwater, or surface water.
- ☐ Rule 913.c.(9): Decommissioning of Oil and Gas Facilities.
- ☒ Rule 913.g: Changes of Operator.
- ☐ Rule 915.b: Request to leave elevated inorganics in situ.
- ☐ Other: _____

SITE INFORMATION

No Multiple Facilities

Facility Type: SPILL OR RELEASE	Facility ID: 487210	API #: _____	County Name: RIO BLANCO
Facility Name: ELU J14	Latitude: 39.700811	Longitude: -108.136767	
** correct Lat/Long if needed: Latitude: _____		Longitude: _____	
QtrQtr: NESW	Sec: 14	Twp: 4S	Range: 96W Meridian: 6 Sensitive Area? No

SITE CONDITIONS

General soil type - USCS Classifications GM Most Sensitive Adjacent Land Use Rangeland

Is domestic water well within 1/4 mile? No Is surface water within 1/4 mile? No

Is groundwater less than 20 feet below ground surface? No

Other Potential Receptors within 1/4 mile

A monitoring well owned by Hunter Ridge Energy Services is located approximately 625 feet northeast.

SITE INVESTIGATION PLAN**TYPE OF WASTE:**

☒ **E&P Waste** ☐ **Other E&P Waste** ☐ **Non-E&P Waste**

☒ Produced Water ☐ Workover Fluids

☐ Oil ☐ Tank Bottoms

☐ Condensate ☐ Pigging Waste

☐ Drilling Fluids ☐ Rig Wash

☐ Drill Cuttings ☐ Spent Filters

☐ Pit Bottoms

☐ Other (as described by EPA)

DESCRIPTION OF IMPACT

Impacted?	Impacted Media	Extent of Impact	How Determined
UNDETERMINED	SOILS	To be determined	Soil sampling and laboratory analysis

INITIAL ACTION SUMMARY

Description of initial action or emergency response measures take to abate, investigate, and/or remediate impacts associated with E&P Waste.

On June 29, 2024, Caerus discovered an underground flowline leak at the ELU J14 FED #23B-14-496 wellhead (API: 05-103-12374). The well was immediately shut-in and the release was reported via Energy & Carbon Management Commission (ECMC) Form 19 Document 403840754 to open Spill/Release Point ID 487210.

On July 15, 2024, an initial site investigation was conducted to characterize potential soil impacts at the point of release (POR). Prior to investigative activities, the flowline was trenched and the POR was exposed. Using hand tools, six soil samples were collected: one from directly beneath the POR at 4 feet below ground surface (bgs), one from the base of the excavation at 3 feet bgs, and four from the sidewalls of the excavation at 2 to 4 feet bgs. Analytical results indicate all samples are compliant with Table 915-1 Residential Soil Screening Levels (RSSLs) except for total petroleum hydrocarbons (TPH), electrical conductivity (EC), sodium adsorption ratio (SAR), arsenic, and hexavalent chromium. See the attached Report of Work Completed (ROWC) for details.

PROPOSED SAMPLING PLAN**Proposed Soil Sampling**

☒ Will soil samples be collected as part of this investigation? (Number, type (grab/composite), analyses, and locations of samples):

Additional soil sampling will be completed to delineate the horizontal and vertical extent of soil impacts. Prior to additional sampling, Caerus requests that all future samples associated with this project only be analyzed for those analytes (TPH, EC, and SAR) that soil samples collected on 7/15/2024 exhibited exceedances for. A Pathway to Groundwater Determination is provided in the "Operator Comments" Section of this form. Plans for how Caerus plans to address arsenic and hexavalent chromium concentrations are detailed in the "Remediation Summary" section of this form.

Proposed Groundwater Sampling

☐ Will groundwater samples be collected as part of this investigation? (Number, analyses, and locations of samples):

Proposed Surface Water Sampling

☐ Will surface water samples be collected as part of this investigation? (Number, analyses, and locations of samples):

Additional Investigative Actions

☐ Additional alternative investigative actions described in attached Site Investigation Plan (summary):

Historical background soil data was referenced for comparison to native levels of arsenic. See attached ROWC for additional details.

SITE INVESTIGATION REPORT

SAMPLE SUMMARY

Soil

Number of soil samples collected 6

Number of soil samples exceeding 915-1 6

Was the areal and vertical extent of soil contamination delineated? No

Approximate areal extent (square feet) 100

Groundwater

Number of groundwater samples collected 0

Was extent of groundwater contaminated delineated? Yes

Depth to groundwater (below ground surface, in feet)

Number of groundwater monitoring wells installed

Number of groundwater samples exceeding 915-1

Surface Water

0 Number of surface water samples collected

 Number of surface water samples exceeding 915-1

If surface water is impacted, other agency notification may be required.

NA / ND

-- Highest concentration of TPH (mg/kg) 1052

-- Highest concentration of SAR 20.5

BTEX > 915-1 No

Vertical Extent > 915-1 (in feet) 4

 Highest concentration of Benzene (µg/l)

 Highest concentration of Toluene (µg/l)

 Highest concentration of Ethylbenzene (µg/l)

 Highest concentration of Xylene (µg/l)

 Highest concentration of Methane (mg/l)

OTHER INVESTIGATION INFORMATION

☐ Were impacts to adjacent property or offsite impacts identified?

☐ Were background samples collected as part of this site investigation?

☐ Was investigation derived waste (IDW) generated as part of this investigation?

Volume of solid waste (cubic yards)

Volume of liquid waste (barrels)

☒ Is further site investigation required?

See Proposed Sampling section and the attached ROWC for details.

REMEDIAL ACTION PLAN

Does this Supplemental Form 27A include changes to a previously approved Remedial Action Plan? No

SOURCE REMOVAL SUMMARY

Describe how source is to be removed.

The failed portion of flowline (wellhead line) was replaced.

REMEDATION SUMMARY

Describe how remediation of existing impacts to soil and groundwater is to be accomplished (i.e. summarize remedial action plan). Provide a brief narrative description including: technical justification, schedule for implementation, estimated time to attain NFA status, plus plans and specifications for the selected remedial action technology.

Although elevated levels of arsenic are present in the release area, analytical results of background samples collected in support of previous remedial investigations at the Location indicate these results are comparable to native levels. A background soil boring with sample intervals from 10 to 40 feet bgs indicate arsenic values ranging from 2.67 to 5.84 milligrams per kilogram (mg/kg). All samples collected during the initial site assessment on 7/15/2024 were within this range. Based on site specific background conditions, Caerus requests an alternative allowable limit for arsenic of 5.84 in accordance with Table 915-1 Footnote 1.

Although hexavalent chromium concentrations exceeding ECMC Table 915-1 RSSLs are present in the investigation area, the reported concentrations are between the laboratory Method Detection Limit (MDL) of 0.255 mg/kg and the Reported Detection Limit (RDL) of 1.0 mg/kg. Analytical results between the MDL and RDL are considered estimated values due to equipment capabilities. Based on this limitation of laboratory analysis and reporting, Caerus requests consideration of Table 915-1 Footnote 9 to substitute the RDL of 1.0 mg/kg as an alternative screening level for hexavalent chromium. Please see the "Operator Comments" Section of this form for further discussion on the laboratory's use of MDL versus RDL.

Assuming the proposed requests are approved, TPH, EC, and SAR are the remaining constituents of concern detected in the investigation area exceeding Table 915-1 RSSLs or alternative allowable limits. Once impacts have been delineated, Caerus will submit a remediation plan via Supplemental Form 27.

See Proposed Sampling section and the attached ROWC for additional details.

Soil Remediation Summary

☐ In Situ

☐ Ex Situ

_____ Bioremediation (or enhanced bioremediation)

_____ Excavate and offsite disposal

_____ Chemical oxidation

_____ If Yes: Estimated Volume (Cubic Yards) _____

_____ Air sparge / Soil vapor extraction

_____ Name of Licensed Disposal Facility or ECMC Facility ID # _____

_____ Natural Attenuation

_____ Excavate and onsite remediation

_____ Other _____

_____ Land Treatment

_____ Bioremediation (or enhanced bioremediation)

_____ Chemical oxidation

_____ Other _____

Groundwater Remediation Summary

_____ Bioremediation (or enhanced bioremediation)

_____ Chemical oxidation

_____ Air sparge / Soil vapor extraction

_____ Natural Attenuation

_____ Other _____

GROUNDWATER MONITORING

If groundwater has been impacted, describe proposed monitoring plan, including # of wells or sample points, monitoring schedule, analytical methods, points of compliance. Attach a groundwater monitoring location diagram.

REMEDIATION PROGRESS UPDATE

PERIODIC REPORTING

Approved Reporting Schedule:

☐ Quarterly☐ Semi-Annually☐ Annually☐ Other

☐ Request Alternative Reporting Schedule:

☒ Semi-Annually☐ Annually☐ Other

Rule 913.e:

After initial approval of a Form 27, the Operator will provide quarterly update reports in a Supplemental Form 27 to document progress of site investigation and remediation, unless an alternative reporting schedule has been requested by the Operator and approved by the Director. The Director may request a more frequent reporting schedule based on site-specific conditions.

Report Type:

☐ Groundwater Monitoring☐ Land Treatment Progress Report☐ O&M Report☒ Other Change of Operator

Adequacy of Operator's General Liability Insurance and Financial Assurance

Describe the adequacy of the Operator's general liability insurance and Financial Assurance to fully address the anticipated costs of Remediation, including the estimated remaining cost for this project (below).

If this information has been provided on a Form 27 within the last 12 months, provide the Document Number of that form.

Per Rule 705.b, and in line with guidance laid out in the SBAP, QB Energy has general liability insurance in the amount of \$5M, and QB Energy has umbrella insurance, which sits over the general liability insurance in the amount of \$65M. The umbrella and general liability insurance covers property damage, bodily injury to third parties, and sudden or accidental pollution under a combined \$70M.

Operator anticipates the remaining cost for this project to be: \$ 15000

WASTE DISPOSAL INFORMATION

Was E&P waste generated as part of this remediation? No

Describe beneficial use, if any, of E&P Waste derived from this remediation project:

Volume of E&P Waste (solid) in cubic yards

E&P waste (solid) description

ECMC Disposal Facility ID #, if applicable:

Non-ECMC Disposal Facility:

Volume of E&P Waste (liquid) in barrels

E&P waste (liquid) description

ECMC Disposal Facility ID #, if applicable:

Non-ECMC Disposal Facility:

REMEDIATION COMPLETION REPORT

REMEDIATION COMPLETION SUMMARY

Is this a Final Closure Request for this Remediation Project? No

If YES:

☐ Compliant with Rule 913.h.(1).☐ Compliant with Rule 913.h.(2).☐ Compliant with Rule 913.h.(3).

Do all soils meet Table 915-1 standards?

Does the previous reply indicate consideration of background concentrations?

Does Groundwater meet Table 915-1 standards?

Is additional groundwater monitoring to be conducted? _____

Operator shall comply with the ECMC 1000-Series Reclamation Requirements for all impacted and disturbed areas.

RECLAMATION PLAN

RECLAMATION PLANNING

Describe reclamation plan. Discuss existing and new grade recontouring; method and testing of compaction alleviation; and reseeding program, including location of new seed, seed mix and noxious weed prevention. Attach diagram or drawing.

Any disturbance will be returned to the active working surface of the well pad for continued operation. When the site is decommissioned at a later date, it will be reclaimed in accordance with 1000 Series regulations.

Is the described reclamation complete? No

Does the reclamation described herein constitute interim or final reclamation of the Oil and Gas Location?

☐ Interim

☐ Final

Did the Surface Owner provide the seed mix? _____

If YES, does the seed mix comply with local soil conservation district recommendations? _____

Did the local soil conservation district provide the seed mix? _____

SITE RECLAMATION DATES

Proposed date of commencement of Reclamation. _____

Proposed date of completion of Reclamation. _____

IMPLEMENTATION SCHEDULE

Per Rule 913.d.(2): Any change from the approved implementation schedule will be requested at least 14 days in advance, and the Operator may not make the change without the Director's approval.

PRIOR DATES

Date of Surface Owner notification/consultation, if required. _____

Actual Spill or Release date, or date of discovery. _____

SITE INVESTIGATION DATES

Date of Initial Actions described in Site Investigation Plan (start date). 06/29/2024

Proposed site investigation commencement. 07/15/2024

Proposed completion of site investigation. _____

REMEDIAL ACTION DATES

Proposed start date of Remediation. 11/01/2024

Proposed date of completion of Remediation. _____

Per Rule 913.d.(2): Any change from the approved implementation schedule will be requested at least 14 days in advance, and the Operator may not make the change without the Director's approval.

☐ Change from approved implementation schedule per Rule 913.d.(2).

Basis for change in implementation schedule:

OPERATOR COMMENT

This form is being submitted to request change of operator from #10456 to #10844.

I hereby certify all statements made in this form are to the best of my knowledge true, correct, and complete.

Signed: Derek Horn

Title: EHS Specialist

Submit Date: 04/11/2025

Email: dhorn@qb-energy.com

Based on the information provided herein, this Application for Site Investigation and Remediation Workplan complies with ECMC Rules and applicable orders and is hereby approved.

ECMC Approved: John Heil

Date: 04/23/2025

Remediation Project Number: 37499

COA Type**Description**

	Approval of this Form is only for change of Operator from 10456 to 10844.
1 COA	

ATTACHMENT LIST

Upon approval, the approved Form 27 and all listed attachments will be indexed to the Remediation Project file. Only the approved Form 27 will also be indexed to the related Facilities.

Att Doc Num**Name**

404162601	INVESTIGATION/REMEDIATION WORKPLAN (SUPPLEMENTAL)
404176220	FORM 27-SUPPLEMENTAL-SUBMITTED

Total Attach: 2 Files

General Comments**User Group****Comment****Comment Date**

		Stamp Upon Approval
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Total: 0 comment(s)