

**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:

10/09/2024

Submitted Date:

10/10/2024

Document Number:

708904768

FIELD INSPECTION FORMLoc ID 432265 Inspector Name: Smelser, Wayne 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:

34 Number of Comments

2 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 |
|---------------|-------|--------------------------------|---------|
| Toews, Wesley | | wtoews@blm.gov | |
| Heil, John | | john.heil@state.co.us | |
| QB Energy | | ecmc.inspections@qb-energy.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|--------------------|-------------|
| 432268 | WELL | PR | 06/01/2024 | GW | 045-21936 | HMU 6-15A (J6SEB) | PR |
| 432269 | WELL | PR | 07/01/2021 | GW | 045-21937 | HMU 6-13AA (J6SEB) | PR |
| 432272 | WELL | PR | 07/01/2021 | GW | 045-21938 | HMU 6-11A (J6SEB) | PR |
| 432277 | WELL | PR | 07/01/2021 | GW | 045-21939 | HMU 6-12D (J6SEB) | PR |
| 432280 | WELL | PR | 07/01/2022 | GW | 045-21940 | HMU 6-15AA (J6SEB) | PR |
| 432281 | WELL | PR | 07/01/2021 | GW | 045-21941 | HMU 6-13A (J6SEB) | PR |
| 432282 | WELL | PR | 07/01/2021 | GW | 045-21942 | HMU 6-12DD (J6SEB) | PR |
| 432283 | WELL | PR | 07/01/2021 | GW | 045-21943 | HMU 6-13D (J6SEB) | PR |
| 432284 | WELL | PR | 06/01/2024 | GW | 045-21944 | HMU 6-15D (J6SEB) | PR |

General Comment:

CECMC Inspection Report Summary

On 10/09/2024 at approximately 15:00 hours, I, Compliance Specialist, Wayne Smelser

Conducted a follow up inspection at QB Energy Mamm Creek J6SEB Pad.

Location # 432265 in Garfield County Colorado.

Please refer to inspection 708904587 conducted on 09/06/2024, previous corrective action has been completed.

Location is within High Priority/NSO/Black Bear Habitat areas.

Location is approximately 135 yards from East Mamm Creek.

While there, I observed normal production operations.

During this inspection the following compliance issues were observed:

1. Housekeeping - Insufficient wildlife protection for hole around wellhead/wildlife hazard with a CA date of 10/13/2024

2. Stormwater - Stockpiled soils on location with no BMP's with a CA date of 10/13/2024

A follow up on this site inspection needs to be conducted to ensure the compliance issues have been corrected to comply with CECMC rules.

This is a summary of inspection report.

Shared facilities with location # 324343

Location

| | | | |
|--------------------|--------|-------|--|
| Lease Road: | | | |
| Type | Access | | |
| comment: | | | |
| Corrective Action | L | Date: | |

Overall Good: ☐

| | | | |
|----------------------|--|-------|--|
| Signs/Marker: | | | |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Wellhead signs at separators | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Sign at entrance to location | | |
| Corrective Action: | | Date: | |
| Type | CONTAINERS | | |
| Comment: | Chemical tanks | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Separator units include attached storage tanks. The sight glass located on the side of the units indicates the storage tanks are full of an unknown fluid. No form of labeling or markers are present to identify a potential hazard or the contents of the storage tanks. | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 911/970-285-2615

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|---|-------|------------|
| Type | OTHER | | |
| Comment: | Unused tank rings in secondary containment - please refer to photo log | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Insufficient wildlife protection for hole around wellhead/wildlife hazard | | |
| Corrective Action: | Comply with CECMC wildlife rules | Date: | 10/13/2024 |

Overall Good: ☐

| | | | |
|----------------|------|--------|--|
| Spills: | | | |
| Type | Area | Volume | |

In Containment: No

Comment: ☐ Multiple Spills and Releases?

| | | | |
|-------------------------|---|-------|--|
| <u>Fencing/:</u> | | | |
| Type | LOCATION | | |
| Comment: | Barbed wire | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Pig station & Summit Midstream meter house - bollards | | |
| Corrective Action: | | Date: | |

| | | | |
|-----------------------------------|---------------------------|-------|-----------------|
| <u>Equipment:</u> | | | corrective date |
| Type: Bird Protectors | # 4 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 10 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 9 | | |
| Comment: | All wells on plunger lift | | |
| Corrective Action: | | Date: | |
| Type: Pig Station | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Vertical Heated Separator | # 9 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 3 | | |
| Comment: | Chemical tanks | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 1 | | |
| Comment: | Summit Midstream | | |
| Corrective Action: | | Date: | |
| Type: Emission Control Device | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 9 | | |

| | | | |
|--------------------|--|-------|--|
| Comment: | Pressure transducers located on all bradenhead, bradenhead valves are accessible. HMU 6-12DD well bradenhead line tied into flowline - FORM 4 SUNDRY document #'s 403189232 & 403453351 | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|--------|
| METHANOL | 1 | 1000 GAL | STEEL AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | | |
|------------------|----------|--|
| Condition | Adequate | |
| Other (Content) | | |
| Other (Capacity) | | |
| Other (Type) | | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|-------------------------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficent | | |
| Comment: | Centralized containment | | | |
| Corrective Action: | | | | Date: |

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|-------------------------------|----------|-----------|---------|--------|
| CONDENSATE | 4 | 500 BBLs | STEEL AST | | , |
| Comment: | Tanks equipped with telemetry | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | | |
|------------------|----------|--|
| Condition | Adequate | |
| Other (Content) | | |
| Other (Capacity) | | |
| Other (Type) | | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|-------------------------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficent | | |
| Comment: | Centralized containment | | | |
| Corrective Action: | | | | Date: |

Venting:

| | | |
|--------------------|----|-------|
| Yes/No | NO | |
| Comment: | | |
| Corrective Action: | | Date: |

Flaring:

| | |
|------|--|
| Type | |
|------|--|

| | | | |
|--------------------|--|-------|--|
| Comment: | | | |
| Corrective Action: | | Date: | |

| Inspected Facilities | | | | |
|--|------------|-----------------------|------------|------------------|
| Facility ID: 432268 | Type: WELL | API Number: 045-21936 | Status: PR | Insp. Status: PR |
| Idle Well | | | | |
| Purpose: <input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned Reminder: _____ | | | | |
| Comment: Shut In Last produced June 2024 | | | | |
| Corrective Action: _____ | | | | Date: _____ |
| The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12 | | | | |
| Facility ID: 432269 | Type: WELL | API Number: 045-21937 | Status: PR | Insp. Status: PR |
| Producing Well | | | | |
| Comment: Producing, well on plunger lift | | | | |
| Corrective Action: _____ | | | | Date: _____ |
| The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12 | | | | |
| Facility ID: 432272 | Type: WELL | API Number: 045-21938 | Status: PR | Insp. Status: PR |
| Producing Well | | | | |
| Comment: Producing, well on plunger lift | | | | |
| Corrective Action: _____ | | | | Date: _____ |
| The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12 | | | | |
| Facility ID: 432277 | Type: WELL | API Number: 045-21939 | Status: PR | Insp. Status: PR |
| Producing Well | | | | |
| Comment: Producing, well on plunger lift | | | | |
| Corrective Action: _____ | | | | Date: _____ |
| The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12 | | | | |
| Facility ID: 432280 | Type: WELL | API Number: 045-21940 | Status: PR | Insp. Status: PR |
| Producing Well | | | | |
| Comment: Producing, well on plunger lift | | | | |
| Corrective Action: _____ | | | | Date: _____ |
| The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12 | | | | |
| Facility ID: 432281 | Type: WELL | API Number: 045-21941 | Status: PR | Insp. Status: PR |
| Producing Well | | | | |
| Comment: Producing, well on plunger lift | | | | |
| Corrective Action: _____ | | | | Date: _____ |
| The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12 | | | | |
| Facility ID: 432282 | Type: WELL | API Number: 045-21942 | Status: PR | Insp. Status: PR |
| Producing Well | | | | |
| Comment: Producing, well on plunger lift | | | | |
| Corrective Action: _____ | | | | Date: _____ |

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 432283 | Type: | WELL | API Number: | 045-21943 | Status: | PR | Insp. Status: | PR |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|

Producing Well

| | | | |
|--------------------|---------------------------------|-------|--|
| Comment: | Producing, well on plunger lift | | |
| Corrective Action: | | Date: | |

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 432284 | Type: | WELL | API Number: | 045-21944 | Status: | PR | Insp. Status: | PR |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|

Producing Well

| | | | |
|--------------------|---------------------------------|-------|--|
| Comment: | Producing, well on plunger lift | | |
| Corrective Action: | | Date: | |

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Reclamation - Storm Water - Pit**Storm Water:**

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|---|
| Drains | | | | | | |
| Compaction | | | | | | Light compaction |
| | | | | Material Handling And Spill Prevention | | Chemical tank containments |
| | | Gravel | | | | Sparse to none in sections |
| Retention Ponds | | | | | | |
| Berms | | | | | | |
| Gravel | | | | | | Sparse to none in areas |
| Culverts | | | | | | |
| | | Culverts | | | | |
| | | Compaction | | | | |
| | | Ditches | | | | |
| Other | Fail | | | | | Stockpiled soils with no BMP's |
| | | Other | | | | Mag chloride on some sections of lease road |
| Rip Rap | | | | | | |

Comment: 1. Stockpiled soils on location with no BMP'sCorrective Action: Comply with CECMC Stormwater rulesDate: 10/13/2024**Pits:** ☒ NO SURFACE INDICATION OF PIT**ECMC Comments**

| Comment | User | Date |
|---|----------|------------|
| Please refer to Housekeeping & Stormwater for corrective actions. | smelserw | 10/10/2024 |
| Shared facilities with location # 324343 | | |

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

| Document Num | Description | URL |
|--------------|---|---|
| 708904769 | Inspection 708904768 Stormwater photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6741865 |
| 708904770 | Inspection 708904768 photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6741866 |