

**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:

02/13/2025

Submitted Date:

02/13/2025

Document Number:

708905744**FIELD INSPECTION FORM**Loc ID 334590 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:**

36 Number of Comments

1 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
QB Energy		ecmc.inspections@qb-energy.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
266186	WELL	PR	07/04/2003	GW	045-09118	ARBANEY 3-16C (P3)	PR
270125	WELL	PR	07/19/2006	GW	045-09463	MAGIC 10-2 (P3)	PR
270126	WELL	PR	07/02/2006	GW	045-09462	MAGIC 10-1(P3)	PR
270127	WELL	PR	07/24/2006	GW	045-09461	MAGIC 10-1A (P3)	PR
270139	WELL	PR	07/19/2006	GW	045-09465	ARBANEY 3-15C (P3)	PR

General Comment:**CECMC Inspection/Audit Report Summary**

On 02/13/2025 at approximately 12:51 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB Energy MAGIC 10-2 (P3) Pad.

Location # 334590 in Garfield County Colorado.

Location is within High Priority/Density/Black Bear Habitat areas & in close proximity to NSO Habitat area.

While there, I observed normal production operations.

During this inspection/audit the following compliance issues were observed:

1. Stormwater - Failure to maintain chemical BMP, Stockpiled soils with no BMP's & Erosion & transport of sediment onto location/insufficient BMP's with a CA date of 02/14/2025

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

This is a summary of inspection/audit report.

Location

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

Overall Good: ☐

Signs/Marker:			
Type	OTHER		
Comment:	Sign at entrance to location		
Corrective Action:		Date:	
Type	BATTERY		
Comment:			
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:	Signs at separators		
Corrective Action:		Date:	
Type	CONTAINERS		
Comment:	Chemical tank		
Corrective Action:		Date:	
Type	OTHER		
Comment:	Sign at start of lease road		
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:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment: 911/970-285-2615

Corrective Action:

Date: _____

Good Housekeeping:

Type	OTHER		
Comment:	Small amount of staining in secondary containment - please refer to photo log		
Corrective Action:		Date:	

Overall Good: ☐

Spills:				
Type	Area	Volume		

In Containment: No

Comment: ☐ Multiple Spills and Releases?

<u>Fencing/:</u>			
Type	WELLHEAD		
Comment:	Cattle panels		
Corrective Action:		Date:	
Type	LOCATION		
Comment:	Barbed wire fence		
Corrective Action:		Date:	

<u>Equipment:</u>			corrective date
Type: Gas Meter Run	# 1		
Comment:	Summit Midstream		
Corrective Action:		Date:	
Type: Ancillary equipment	# 1		
Comment:	Chemical tank		
Corrective Action:		Date:	
Type: Horizontal Heated Separator	# 1		
Comment:			
Corrective Action:		Date:	
Type: Gas Meter Run	# 5		
Comment:			
Corrective Action:		Date:	
Type: Vertical Heated Separator	# 4		
Comment:			
Corrective Action:		Date:	
Type: Bradenhead	# 5		
Comment:	Pressure transducers located on bradenheads, bradenhead valves are accessible. All 5 BH lines are tied into a common 2 inch line that runs over near the ECD & then the line reduces down to 1/2 inch stainless & ties into separator at the A valve bypass for the ARBANEY 3-15C, appears to be 2 check valves in line just before the A valve bypass.		
Corrective Action:		Date:	
Type: Emission Control Device	# 2		
Comment:			
Corrective Action:		Date:	
Type: Plunger Lift	# 5		
Comment:	All wells on plunger lift		
Corrective Action:		Date:	
Type: Bird Protectors	# 6		
Comment:			

Corrective Action:		Date:	
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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 Sufficient		

Comment:	Centralized containment
Corrective Action:	Date:

Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	2	500 BBLS	HEATED 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 Sufficient		

Comment:	Centralized containment
Corrective Action:	Date:

Venting:

Yes/No	NO
Comment:	
Corrective Action:	Date:

Flaring:

Type	
Comment:	
Corrective Action:	Date:

Inspected Facilities			
Facility ID: 266186	Type: WELL	API Number: 045-09118	Status: PR Insp. Status: PR
Producing Well			
Comment:	Producing, well on plunger lift		
Corrective Action:		Date:	
BradenHead			
Date of Last Brhd Test: 05/14/2024	Annual Brhd Completed? _____		
Last Brhd Test Results	Initial Surf Csg Pressure: 142	Fluid Type: _____	
	End Surf Csg Pressure: 0		
Comment:	BH tied into separator at the A valve bypass for the ARBANEY 3-15C FORM 4 SUNDRY document #'s 402423261 & 403250603		
Corrective Action:		Date:	
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12			
Facility ID: 270125	Type: WELL	API Number: 045-09463	Status: PR Insp. Status: PR
Producing Well			
Comment:	Producing, well on plunger lift		
Corrective Action:		Date:	
BradenHead			
Date of Last Brhd Test: 05/14/2024	Annual Brhd Completed? _____		
Last Brhd Test Results	Initial Surf Csg Pressure: 67	Fluid Type: _____	
	End Surf Csg Pressure: 0		
Comment:	BH tied into separator at the A valve bypass for the ARBANEY 3-15C FORM 4 SUNDRY document #'s 402423388 & 403269134		
Corrective Action:		Date:	
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12			
Facility ID: 270126	Type: WELL	API Number: 045-09462	Status: PR Insp. Status: PR
Producing Well			
Comment:	Producing, well on plunger lift		
Corrective Action:		Date:	
BradenHead			
Date of Last Brhd Test: 05/14/2024	Annual Brhd Completed? _____		
Last Brhd Test Results	Initial Surf Csg Pressure: 143	Fluid Type: _____	
	End Surf Csg Pressure: 0		
Comment:	BH tied into separator at the A valve bypass for the ARBANEY 3-15C FORM 4 SUNDRY document #'s 402423312 & 403268323		
Corrective Action:		Date:	
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12			
Facility ID: 270127	Type: WELL	API Number: 045-09461	Status: PR Insp. Status: PR

Producing Well			
Comment:	Producing, well on plunger lift		
Corrective Action:		Date:	

BradenHead			
Date of Last Brhd Test: 05/14/2024		Annual Brhd Completed? _____	
Last Brhd Test Results		Initial Surf Csg Pressure: 141	Fluid Type: WATER AND MUD
		End Surf Csg Pressure: 31	
Comment:	BH tied into separator at the A valve bypass for the ARBANEY 3-15C FORM 4 SUNDRY document #'s 402423315, 403269137 & 403847279		
Corrective Action:		Date:	

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

Facility ID: 270139	Type: WELL	API Number: 045-09465	Status: PR	Insp. Status: PR
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Producing Well			
Comment:	Producing, well on plunger lift		
Corrective Action:		Date:	

BradenHead			
Date of Last Brhd Test: 05/14/2024		Annual Brhd Completed? _____	
Last Brhd Test Results		Initial Surf Csg Pressure: 142	Fluid Type: _____
		End Surf Csg Pressure: 0	
Comment:	BH tied into separator at the A valve bypass for the ARBANEY 3-15C FORM 4 SUNDRY document #'s 402423232 & 403250592		
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
Gravel						Sparse to none in areas
		Ditches				
				Material Handling And Spill Prevention	Fail	Failure to maintain chemical BMP
		Compaction				Light compaction in some sections
Compaction						Light compaction in some areas
		Culverts				
Berms						
Other	Fail					Erosion & transport of sediment/insufficient BMP's
		Gravel				Sparse to none
Other	Fail					Stockpiled soils with no BMP's

Comment: 1. Failure to maintain chemical BMP – Chemical tank containment approximately 7/8 full of fluid/BMP insufficient to contain possible spill (additionally standing fluid starting to accumulate on top of the containment is also wildlife hazard)

At approximately 13:06 hours I called & spoke to Justin Johnson with QB Energy & informed him about the amount of fluid in the chemical tank containment & that I was issuing a 24 hour corrective action on the observed compliance issue. I further informed him that the standing fluid starting to accumulate on top of the chemical tank containment also constituted a wildlife hazard.

2. Stockpiled soils with no BMP's

3. Erosion & transport of sediment onto location/insufficient BMP's

Corrective Action: **Comply with CECMC Stormwater rules**

Date: 02/14/2025

Pits: ☒ NO SURFACE INDICATION OF PIT

ECMC Comments

Comment	User	Date
Please refer to Stormwater for corrective actions	smelserw	02/13/2025

Attached Documents

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

Document Num	Description	URL
708905745	Inspection/Audit 708905744 Stormwater photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6918654
708905746	Inspection/Audit 708905744 photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6918655