

**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:

04/17/2025

Submitted Date:

04/19/2025

Document Number:

708906290

FIELD INSPECTION FORMLoc ID 335178 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:**

22 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
QB Energy		ecmc.inspections@qb-energy.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
281611	WELL	PR	05/26/2006	GW	045-11486	STI 29-7C (A29NE)	PR
281613	WELL	PR	10/27/2010	GW	045-11487	STI 29-2C (A29NE)	PR
281657	WELL	PR	01/15/2007	GW	045-11494	STI 29-8C (A29NE)	PR

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

On 04/17/2025 at approximately 10:38 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB Energy STI 29-7C (A29NE) Pad

Location # 335178 in Garfield County Colorado.

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

Location is approximately 564 yards from Mamm Creek.

While there, I observed normal production operations.

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

1. Equipment - Flowline heating insulation open ended/wildlife hazard/available for entry by wildlife with a CA date of 04/26/2025
2. Tanks & Berms - Multiple holes in secondary containment liner/liner needs maintenance with a CA date of 05/09/2025

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:	Upon the Director's approval of a Form 9 the Buying Operator will have 60 days to replace or update all signs at the Oil and Gas Location so that the signs comply with Rule 605.		
Corrective Action:		Date:	
Type	BATTERY		
Comment:			
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:	
Type	WELLHEAD		
Comment:	Signs at separators		
Corrective Action:		Date:	
Type	OTHER		
Comment:	Sign at start of lease road		
Corrective Action:		Date:	

Emergency Contact Number:			
Comment:	911/970-285-2615		
Corrective Action:			Date: _____

Good Housekeeping:			
Type	WEEDS		
Comment:	Small amount of weeds near wellheads & in secondary containment		
Corrective Action:		Date:	

Overall Good: ☐

Spills:				
Type	Area	Volume		

In Containment: No

Comment: ☐ Multiple Spills and Releases?

Fencing/:			
Type	SEPARATOR		
Comment:	Cattle panels		
Corrective Action:		Date:	

Equipment:			corrective date
Type: Bird Protectors	# 4		
Comment:			
Corrective Action:		Date:	
Type: Gas Meter Run	# 1		
Comment:	Summit Midstream		
Corrective Action:		Date:	
Type: Bradenhead	# 3		
Comment:	Pressure transducers on bradenheads, bradenhead valves are accessible.		
Corrective Action:		Date:	
Type: Horizontal Heated Separator	# 3		
Comment:			
Corrective Action:		Date:	
Type: Pig Station	# 1		
Comment:			
Corrective Action:		Date:	
Type: Plunger Lift	# 3		
Comment:	All wells on plunger lift		
Corrective Action:		Date:	
Type: Other	# 1		
Comment:	Flowline heating insulation open ended/wildlife hazard/available for entry by wildlife		
Corrective Action:	Comply with CECMC wildlife rules	Date:	04/26/2025
Type: Gas Meter Run	# 3		
Comment:			
Corrective Action:		Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	1	300 BBLS	HEATED STEEL AST		,
Comment:	Tank equipped with telemetry				
Corrective Action:					Date:

Paint

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

Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Inadequate	Walls Insufficient		Inadequate	
Comment:		Multiple holes in secondary containment liner/liner needs maintenance, additionally the liner is showing signs of deterioration in multiple areas.			
Corrective Action:		The liner will be sufficiently impervious so that any discharge from a primary containment system will not escape containment before cleanup occurs.			Date: 05/09/2025
Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	1	300 BBLs	STEEL AST		,
Comment:		Tank equipped with telemetry			
Corrective Action:					Date:
Paint					
Condition	Adequate				
Other (Content)					
Other (Capacity)					
Other (Type)					
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal					
Comment:		Centralized containment			
Corrective Action:					Date:
Venting:					
Yes/No	NO				
Comment:					
Corrective Action:					Date:
Flaring:					
Type					
Comment:					
Corrective Action:					Date:

Inspected Facilities									
Facility ID:	281611	Type:	WELL	API Number:	045-11486	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:	281613	Type:	WELL	API Number:	045-11487	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:	281657	Type:	WELL	API Number:	045-11494	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
		Compaction				
		Ditches				
Gravel						Sparse to none in areas
		Gravel				Sparse to none in some sections
		Culverts				
		Rip Rap				
Compaction						
Berms						

Comment: Corrective Action: Date: **Pits:** ☒ NO SURFACE INDICATION OF PIT**ECMC Comments**

Comment	User	Date
Please refer to Equipment & Tanks & Berms for corrective actions & also refer to Signs/Marker & Housekeeping for comments	smelserw	04/19/2025

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

Document Num	Description	URL
708906291	Inspection/Audit 708906290 Stormwater photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7012411
708906292	Inspection/Audit 708906290 photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7012412