

**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:

04/24/2025

Submitted Date:

04/24/2025

Document Number:

708906327

FIELD INSPECTION FORMLoc ID 334836 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:

30 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	
Heil, John		john.heil@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
211341	WELL	PR	11/04/1996	GW	045-07101	DUNN 32-16	PR
268636	WELL	PR	02/08/2004	GW	045-09278	SHIDELER 32-9D (P32)	PR
268637	WELL	SI	08/01/2024	GW	045-09279	SHIDELER 32-10D (P32)	SI
268668	WELL	SI	06/01/2024	GW	045-09284	SHIDELER 32-9C (P32)	SI
274896	WELL	PR	07/01/2019	GW	045-13422	DUNN 32-16D (P32)	PR
274897	WELL	SI	06/01/2024	GW	045-13421	DUNN 5-7D (P32)	SI

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

On 04/24/2025 at approximately 15:20 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB Energy DUNN 32-16 (P32) Pad

Location # 334836 in Garfield County Colorado.

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

Location is approximately 357 yards from Mamm Creek.

While there, I observed normal production operations.

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

1. Tanks & Berms - Possible tank failure - Suspected leak on production tank/tank appears to lack integrity with a CA date of 04/26/2025
2. Stormwater - Failure to maintain chemical BMP with a CA date of 04/27/2025

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	BATTERY		
Comment:			
Corrective Action:		Date:	
Type	OTHER		
Comment:	Sign on lease road at gate approximately 65 yards from entrance to location		
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	
Type	OTHER		
Comment:	Sign at intersection of Mamm Creek Road & start of lease road		
Corrective Action:		Date:	
Type	CONTAINERS		
Comment:	Chemical tank		
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	WELLHEAD		
Comment:	Signs at separators		
Corrective Action:		Date:	
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:	

Emergency Contact Number:

Comment: 911/970-285-2615

Corrective Action:

Date: _____

Good Housekeeping:

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

Overall Good: ☐**Spills:**

Type	Area	Volume
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In Containment: No

Comment:

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

corrective date

Type: Bird Protectors

2

Comment:

Corrective Action:

Date:

Type: Ancillary equipment

1

Comment: Chemical tank

Corrective Action:

Date:

Type: Vertical Heated Separator

6

Comment:

Corrective Action:

Date:

Type: Gas Meter Run

6

Comment:

Corrective Action:

Date:

Type: Ancillary equipment

1

Comment: Liquid nitrogen tank

Equipment not listed in FORM 4 SUNDRY/not in compliance with CECMC rules

Corrective Action:

Date:

Type: Bradenhead

6

Comment: Pressure transducers located on bradenheads, bradenhead valves are accessible.

Corrective Action:

Date:

Type: Gas Meter Run

1

Comment: Summit Midstream

Corrective Action:

Date:

Type: Plunger Lift

6

Comment: All wells on plunger lift

Corrective Action:

Date:

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	1	400 BBLS	STEEL AST		,

Comment: Possible tank failure - Suspected leak on production tank/tank appears to lack integrity

Corrective Action:	<p>If tank is in service comply with CECMC rules for in-service tanks and process vessels</p> <p>or</p> <p>If tank is out of service comply with CECMC rules for out of service tanks and process vessels</p> <p>Additionally comply with 900 series rules for any E & P waste on the side of the tank & in the secondary containment</p>	Date:	04/26/2025
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Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate				
Comment:	Centralized containment				
Corrective Action:			Date:		
Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	2	300 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			
Comment:	Centralized containment			
Corrective Action:			Date:	

Venting:

Yes/No	NO	
Comment:		
Corrective Action:		Date:

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities				
Facility ID: 211341	Type: WELL	API Number: 045-07101	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: 268636	Type: WELL	API Number: 045-09278	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: 268637	Type: WELL	API Number: 045-09279	Status: SI	Insp. Status: SI
Idle Well				
Purpose:	<input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned		Reminder:	
Comment:	Shut In Last produced July 2024			
Corrective Action:				Date:
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12				
Facility ID: 268668	Type: WELL	API Number: 045-09284	Status: SI	Insp. Status: SI
Idle Well				
Purpose:	<input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned		Reminder:	
Comment:	Shut In Last produced May 2024			
Corrective Action:				Date:
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12				
Facility ID: 274896	Type: WELL	API Number: 045-13422	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: 274897	Type: WELL	API Number: 045-13421	Status: SI	Insp. Status: SI
Idle Well				
Purpose:	<input checked="" type="checkbox"/> Shut In <input type="checkbox"/> Temporarily Abandoned		Reminder:	
Comment:	Shut In Last produced May 2024			
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
		Rip Rap				
				Material Handling And Spill Prevention	Fail	Failure to maintain chemical BMP
		Ditches				
Ditches						
Gravel						Sparse to none in areas
		Gravel				Sparse to none
Berms						
Compaction						Small amount of light compaction
		Check Dams				
		Culverts				
		Compaction				

Comment: 1. Failure to maintain chemical BMP – Chemical tank containment approximately 2/3 full of fluid/BMP insufficient to contain possible spill

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

Date: 04/27/2025

Pits: ☒ NO SURFACE INDICATION OF PIT

ECMC Comments

Comment	User	Date
Please refer to Tanks & Berms & Stormwater for corrective actions & also refer to Signs/Marker & Housekeeping for comments.	smelserw	04/24/2025

Attached Documents

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

Document Num	Description	URL
708906328	Inspection/Audit 708906327 Stormwater photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7022108
708906329	Inspection/Audit 708906327 photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7022109