

**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:

04/26/2025

Document Number:

708906348

FIELD INSPECTION FORM

| | | | | |
|--|-----------------------------------|---|-------------------|--|
| Loc ID 335019 | Inspector Name: Smelser, Wayne | On-Site Inspection <input type="checkbox"/> | 2A Doc Num: _____ | Status Summary: <input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED Findings: 32 Number of Comments 4 Number of Corrective Actions <input checked="" type="checkbox"/> Corrective Action Response Requested |
| Operator Information: ECMC Operator Number: 10456 Name of Operator: CAERUS PICEANCE LLC Address: 1001 17TH STREET #1600 City: DENVER State: CO Zip: 80202 | | | | 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 |
| 269719 | WELL | SI | 08/01/2024 | GW | 045-09408 | SHIDELER 33-4D(E33NE) | SI |
| 269720 | WELL | PR | 03/15/2004 | GW | 045-09407 | SHIDELER 33-4C(E33NE) | PR |
| 269725 | WELL | SI | 08/01/2024 | GW | 045-09405 | SHIDELER 32-1D(E33NE) | SI |
| 269726 | WELL | PR | 03/15/2004 | GW | 045-09404 | SHIDELER 33-4B(E33NE) | PR |

| |
|---|
| General Comment: <p>CECMC Inspection/Audit Report Summary On 04/24/2025 at approximately 13:26 hours, I, Compliance Specialist, Wayne Smelser Conducted an on-site inspection/audit at QB Energy SHIDELER 33-4D (E33NE) Pad Location # 335019 in Garfield County Colorado. Location is within High Priority/Density/Black Bear Habitat areas & in close proximity NSO Habitat area & Bald Eagle Roost Site. While there, I observed normal production operations.</p> <p>During this inspection/audit the following compliance issues were observed:</p> <ol style="list-style-type: none"> 1. Equipment - Rupture disc vent line does not comply with CECMC pressure safety device rules with a CA date of 05/03/2025 2. Equipment - Unused flowlines lack lockout tagout (OOSLAT) with a CA date of 05/03/2025 3. Equipment - Flowline heating insulation open ended/wildlife hazard/available for entry by wildlife with a CA date of 05/03/2025 4. Tanks & Berms - Holes in secondary containment liner/liner needs maintenance with a CA date of 05/16/2025 <p>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.</p> |
|---|

| Location | | | | |
|--|--|--------|--|-------------|
| Lease Road: | | | | |
| Type | Access | | | |
| comment: | | | | |
| Corrective Action | L | | | Date: |
| Overall Good: <input type="checkbox"/> | | | | |
| Signs/Marker: | | | | |
| Type | WELLHEAD | | | |
| Comment: | Signs at separators | | | |
| Corrective Action: | | | | Date: |
| Type | OTHER | | | |
| Comment: | Entrance to location sign laying on the ground/not properly posted - please refer to photo log | | | |
| Corrective Action: | | | | Date: |
| Type | BATTERY | | | |
| Comment: | | | | |
| 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 | 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 | 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 | WEEDS | | | |
| Comment: | Small amount of weeds in secondary containment - please refer to photo log | | | |
| Corrective Action: | | | | Date: |
| Overall Good: <input type="checkbox"/> | | | | |
| Spills: | | | | |
| Type | Area | Volume | | |

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Fencing/:**

| | | | |
|--------------------|---|-------|--|
| Type | WELLHEAD | | |
| Comment: | Cattle panels | | |
| Corrective Action: | | Date: | |
| Type | SEPARATOR | | |
| Comment: | Cattle panels | | |
| Corrective Action: | | Date: | |
| Type | TANK BATTERY | | |
| Comment: | Barbed wire & hog panels | | |
| Corrective Action: | | Date: | |
| Type | LOCATION | | |
| Comment: | Barbed wire fence along northern side of location | | |
| Corrective Action: | | Date: | |

Equipment:

| | | | |
|--------------------------|--|-------|-----------------|
| | | | corrective date |
| Type: Gas Meter Run | # 1 | | |
| Comment: | Summit Midstream | | |
| Corrective Action: | | Date: | |
| Type: Other | # 1 | | |
| Comment: | Rupture disc vent line does not comply with CECMC pressure safety device rules | | |
| Corrective Action: | Comply with CECMC pressure safety device rules | Date: | 05/03/2025 |
| Type: Other | # 3 | | |
| Comment: | Unused flowlines lack lockout tagout (OOSLAT) | | |
| Corrective Action: | Comply with CECMC 1100 series rules | Date: | 05/03/2025 |
| Type: Bradenhead | # 4 | | |
| Comment: | Pressure transducers located on bradenheads, bradenhead valves are accessible. | | |
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 4 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 4 | | |
| Comment: | All wells on plunger lift | | |
| Corrective Action: | | Date: | |
| Type: Deadman # & Marked | # 5 | | |

| | | | |
|---|-----|-------|------------|
| Comment: 4 marked deadman | | | |
| 1 unmarked deadman - please refer to photo log | | | |
| Corrective Action: | | Date: | |
| Type: Vertical Heated Separator | # 4 | | |
| Comment: | | | |
| 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: | 05/03/2025 |

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 | | | | | |
| Comment: Centralized containment | | | | | |
| Corrective Action: | | | | Date: | |
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| CONDENSATE | 1 | 400 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 | | Base Insufficient | Inadequate | |
| Comment: Holes in secondary containment liner/liner needs maintenance | | | | | |
| Centralized containment | | | | | |
| 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: 05/16/2025 | |
| Contents | # | Capacity | Type | Tank ID | SE GPS |

| | | | | | | | |
|---------------------------------------|----------|---------------------|---------------------|-------------|-------|--|--|
| CONDENSATE | 1 | 400 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: | 269719 | Type: | WELL | API Number: | 045-09408 | 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: | 269720 | Type: | WELL | API Number: | 045-09407 | 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: | 269725 | Type: | WELL | API Number: | 045-09405 | 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: | 269726 | Type: | WELL | API Number: | 045-09404 | 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|----------------------------------|
| Gravel | | | | | | Sparse to none in most areas |
| Berms | | | | | | |
| | | Compaction | | | | Small amount of light compaction |
| | | Gravel | | | | Sparse to none |
| Compaction | | | | | | |
| Ditches | | | | | | |
| | | Culverts | | | | |
| | | Ditches | | | | |

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 | 04/26/2025 |

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

| Document Num | Description | URL |
|--------------|---|---|
| 708906349 | Inspection/Audit 708906348 Stormwater photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7024048 |
| 708906350 | Inspection/Audit 708906348 photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7024049 |