

**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:

02/11/2025

Submitted Date:

02/12/2025

Document Number:

708905735**FIELD INSPECTION FORM**Loc ID 334951 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:

28 Number of Comments

3 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
Katz, Aaron		aaron.katz@state.co.us	
Haverkamp, Curtis		curtis.haverkamp@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
274910	WELL	PR	04/25/2005	GW	045-13428	HILL 16-2D (B16E)	PR
274931	WELL	PR	04/01/2018	GW	045-13438	HILL 16-3 (B16E)	PR
274932	WELL	PR	12/01/2023	GW	045-13439	HILL 9-14C (B16E)	PR

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

On 02/11/2025 at approximately 11:03 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB Energy HILL 16-2D (B16E) Pad.

Location # 334951 in Garfield County Colorado.

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

While there, I observed normal production operations.

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

1. Equipment - Intermediate casing annulus inaccessible with a CA date of 02/22/2025
2. Equipment - Flowline heating insulation open ended/wildlife hazard with a CA date of 02/19/2025
3. Tanks & Berms - Holes in secondary containment liner/liner needs maintenance with a CA date of 03/04/2025

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	WELLHEAD		
Comment:	Signs at separators		
Corrective Action:		Date:	
Type	CONTAINERS		
Comment:	Chemical tank containment		
Corrective Action:		Date:	
Type	OTHER		
Comment:	Sign at intersection of Jenkins Cutoff & 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:	
Type	OTHER		
Comment:	Sign at entrance to location		
Corrective Action:		Date:	
Type	BATTERY		
Comment:			
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		
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: Deadman # & Marked	# 2	
Comment: 1 marked deadman 1 unmarked deadman -please refer to photo log		
Corrective Action:		Date:
Type: Bradenhead	# 3	
Comment: Pressure transducers located on surface casing bradenheads, bradenhead valves are accessible.		
Corrective Action:		Date:
Type: Other	# 2	
Comment: Flowline heating insulation open ended/wildlife hazard/available for entry by wildlife		
Corrective Action: Comply with CECMC wildlife rules		Date: 02/19/2025
Type: Bird Protectors	# 1	
Comment:		
Corrective Action:		Date:
Type: Vertical Heated Separator	# 3	
Comment:		
Corrective Action:		Date:
Type: Plunger Lift	# 3	
Comment: All wells on plunger lift		
Corrective Action:		Date:
Type: Ancillary equipment	# 1	
Comment: Chemical tank containment		
Corrective Action:		Date:
Type: Gas Meter Run	# 1	
Comment: Summit Midstream		
Corrective Action:		Date:
Type: Gas Meter Run	# 3	
Comment:		
Corrective Action:		Date:
Type: Other	# 3	
Comment: Intermediate casing annulus is inaccessible on the HILL 16-2D, HILL 16-3 & HILL 9-14C wells/not in compliance with CECMC rules. Additionally wellbore information/diagrams in the well files appear to conflict & contain some inaccurate information.		
Corrective Action: Comply with CECMC rules regarding intermediate casing access & testing. Additionally contact CECMC Engineering Group & discuss how to resolve observed compliance issues.		Date: 02/22/2025

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	2	OTHER	STEEL AST		,	
Comment:		Tanks equipped with telemetry				
Corrective Action:						Date:

Paint

Condition	Adequate	
Other (Content)		
Other (Capacity)	250 bbl	
Other (Type)		

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Inadequate	Walls Insufficient		Inadequate	
Comment:		Holes in secondary containment liner/liner needs maintenance			
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: 03/04/2025

Venting:

Yes/No	NO		
Comment:			
Corrective Action:			Date:

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities									
Facility ID:	274910	Type:	WELL	API Number:	045-13428	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:	274931	Type:	WELL	API Number:	045-13438	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:	274932	Type:	WELL	API Number:	045-13439	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
Berms						
Compaction	Fail					Lack of stabilization/compaction on location
		Compaction				Small amount of light compaction
		Ditches				
				Material Handling And Spill Prevention		Chemical tank containment
		Gravel				Sparse to none in areas
		Culverts				
		Check Dams				
Gravel						Sparse to none in most areas

Comment: [1. Lack of stabilization/compaction near tank battery - please refer to photo log](#)

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 Stormwater for comments.	smelserw	02/12/2025

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

Document Num	Description	URL
708905736	Inspection/Audit 708905735 Stormwater photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6916716
708905737	Inspection/Audit 708905735 photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6916717