

**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:

03/13/2025

Submitted Date:

03/17/2025

Document Number:

708906017

FIELD INSPECTION FORMLoc ID 335228 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

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
262615	WELL	PR	09/04/2002	GW	045-08043	BENZEL 36-3A1 (B36)	PR
262616	WELL	PR	04/05/2004	GW	045-08044	ALP 25-15A1 (B36)	PR
262617	WELL	PR	09/04/2002	GW	045-08045	BENZEL 36-2B (B36)	PR
262618	WELL	PR	08/27/2002	GW	045-08042	BENZEL 36-2A (B36)	PR
262619	WELL	PR	08/27/2002	GW	045-08041	BENZEL 36-6A (B36)	PR

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

On 03/13/2025 at approximately 12:36 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB Energy BENZEL 36-3A1 (B36) Pad.

Location # 335228 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. Tanks & Berms - Secondary containment insufficient/does not comply with CECMC rules with a CA date of 04/16/2025

2. Stormwater - Erosion & transport of sediment off location/insufficient BMP's with a CA date of 04/01/2025

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	TANK LABELS/PLACARDS		
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	WELLHEAD		
Comment:	Signs at separators		
Corrective Action:		Date:	
Type	OTHER		
Comment:	Sign at entrance to location		
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	OTHER		
Comment:	Small amount of staining in secondary containment		
Corrective Action:		Date:	

Overall Good: ☐

Spills:				
Type	Area	Volume		

In Containment: No

Comment: _____

☐ Multiple Spills and Releases?

Equipment:			corrective date
Type: Vertical Heated Separator	# 5		
Comment:			
Corrective Action:			Date:
Type: Gas Meter Run	# 5		
Comment:			
Corrective Action:			Date:
Type: Gas Meter Run	# 1		
Comment:	Summit Midstream		
Corrective Action:			Date:
Type: Bradenhead	# 5		
Comment:	Pressure transducers located on bradenheads, bradenhead valves are accessible.		
Corrective Action:			Date:
Type: Ancillary equipment	# 1		
Comment:	Liquid nitrogen tank Unable to locate FORM 4 SUNDRY for equipment/not in compliance with CECMC rules		
Corrective Action:			Date:
Type: Plunger Lift	# 5		
Comment:	All wells on plunger lift		
Corrective Action:			Date:
Type: Bird Protectors	# 1		
Comment:			
Corrective Action:			Date:

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
GLYCOL	1	<100 BBLS	STEEL AST		,
Comment:					
Corrective Action:					Date:

Paint

Condition	Adequate
Other (Content)	
Other (Capacity)	95 bbl
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Inadequate			
Comment:	Secondary containment insufficient/does not comply with CECMC rules Additionally tank labels are damaged & tank is labeled incorrectly. Tank is labeled as a 100 bbl tank however capacity is only 95 bbl - please refer to photo log			
Corrective Action:	Comply with CECMC rules			Date: 04/16/2025

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 Unlined containment					
Corrective Action:					Date:	
Venting:						
Yes/No	NO					
Comment:						
Corrective Action:					Date:	
Flaring:						
Type						
Comment:						
Corrective Action:					Date:	

Inspected Facilities			
Facility ID: 262615	Type: WELL	API Number: 045-08043	Status: PR Insp. Status: PR
Producing Well			
Comment: Producing, well on plunger lift			
Corrective Action:		Date:	
BradenHead			
Date of Last Brhd Test: 09/24/2024		Annual Brhd Completed? _____	
Last Brhd Test Results		Initial Surf Csg Pressure: 173	Fluid Type: GAS
		End Surf Csg Pressure: 1	
Comment: BH line connected to separator at the A valve bypass FORM 4 SUNDRY document #'s 402422241 & 404016213			
Corrective Action:		Date:	
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12			
Facility ID: 262616	Type: WELL	API Number: 045-08044	Status: PR Insp. Status: PR
Producing Well			
Comment: Producing, well on plunger lift			
Corrective Action:		Date:	
BradenHead			
Date of Last Brhd Test: 05/21/2024		Annual Brhd Completed? _____	
Last Brhd Test Results		Initial Surf Csg Pressure: 148	Fluid Type: _____
		End Surf Csg Pressure: 0	
Comment: BH line tied into flowline - FORM 4 SUNDRY document # 402422228			
Corrective Action:		Date:	
The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12			
Facility ID: 262617	Type: WELL	API Number: 045-08045	Status: PR Insp. Status: PR
Producing Well			
Comment: Producing, well on plunger lift			
Corrective Action:		Date:	
Producing Well			
Comment: Producing, well on plunger lift			
Corrective Action:		Date:	
Producing Well			
Comment: Producing, well on plunger lift			
Corrective Action:		Date:	
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				Light compaction in some sections
		Gravel				Sparse to none in most sections
Compaction						Light compaction
Other	Fail					Erosion & transport of sediment off location
		Culverts				
Gravel						Sparse to none in most areas
		Ditches				
Berms						

Comment: 1. Erosion & transport of sediment off location/insufficient BMP's

Corrective Action: Comply with CECMC Stormwater rules

Date: 04/01/2025

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 & Equipment for comments.	smelserw	03/17/2025

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

Document Num	Description	URL
708906018	Inspection/Audit 708906017 Stormwater photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6963302
708906019	Inspection/Audit 708906017 photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6963303