

**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:

03/13/2025

Document Number:

708905969

FIELD INSPECTION FORMLoc ID 421020 Inspector Name: Smelser, Wayne On-Site Inspection ☐ 2A Doc Num: 400315679**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:**

40 Number of Comments

4 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
Heil, John		john.heil@state.co.us	
Haverkamp, Curtis		curtis.haverkamp@state.co.us	
QB Energy		ecmc.inspections@qb-energy.com	
Trujillo, Aaron		aaron.trujillo@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
89056	WELL	PR	09/14/2000	GW	045-07386	Shaeffer 12-11 (J12W)	PR
89057	WELL	PR	02/01/2019	GW	045-07387	Shaeffer 12-10 (J12W)	PR
89060	WELL	PR	01/04/2000	GW	045-07390	Cook 12-15 (J12W)	PR
421166	WELL	PR	01/01/2014	GW	045-20326	BENZEL 6-11H (J12W)	PR

General Comment:

CECMC Inspection/Audit Report Summary

On 03/13/2025 at approximately 16:49 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB Energy Shaeffer 24-5H (J12W) Pad.

Location # 421020 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. Housekeeping - Excavated area on location lacks wildlife protection with a CA date of 03/15/2025
2. Tanks & Berms - Liner needs maintenance with a CA date of 04/02/2025
3. Inspected Facilities - Failure to comply with CECMC bradenhead monitoring, testing & reporting rules with a CA date of 03/20/2025
4. Stormwater - Failure to maintain chemical BMP & stockpiled soils with no BMP's with a CA date of 03/14/2025

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.

Any corrective actions from previous inspections/audits that have not been addressed are still applicable.

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 tanks		
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	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:	

Emergency Contact Number:

Comment: 911/970-285-2615

Corrective Action:

Date: _____

Good Housekeeping:

Type	OTHER		
Comment:	Excavated area on location lacks wildlife protection		
Corrective Action:	Comply with CECMC wildlife rules	Date:	03/15/2025

Overall Good: ☐

Spills:				
Type	Area	Volume		

In Containment: No

Comment: ☐ Multiple Spills and Releases?

Fencing/:			
Type	WELLHEAD		
Comment:	Jersey barriers		
Corrective Action:		Date:	
Type	OTHER		
Comment:	1 Summit Midstream meter house - bollards		
Corrective Action:		Date:	
Type	LOCATION		
Comment:	Barbed wire		
Corrective Action:		Date:	

Equipment:			corrective date
Type: Bradenhead	# 1		
Comment:	BENZEL 6-11H well has intermediate casing - pressure transducer located on intermediate casing bradenhead, bradenhead valve is accessible.		
Corrective Action:		Date:	
Type: Other	# 1		
Comment:	Trench roller		
Corrective Action:		Date:	
Type: Bird Protectors	# 4		
Comment:			
Corrective Action:		Date:	
Type: Ancillary equipment	# 2		
Comment:	Well heaters		
Corrective Action:		Date:	
Type: Other	# 1		
Comment:	Chemical tanks, methanol tank, liquid nitrogen tank & Summit Midstream meter houses not listed in operators FORM 2A or FORM 4 SUNDRY/not in compliance with CECMC rules. If operator remains out of compliance corrective action may be issued in future inspections.		
Corrective Action:		Date:	
Type: Gas Meter Run	# 2		
Comment:	Summit Midstream		
Corrective Action:		Date:	
Type: Gas Meter Run	# 4		
Comment:			
Corrective Action:		Date:	
Type: Other	# 1		
Comment:	Pressure testing trailer		

Corrective Action:		Date:	
Type: Plunger Lift	# 4		
Comment:	All wells on plunger lift		
Corrective Action:		Date:	
Type: Bradenhead	# 4		
Comment:	Pressure transducers located on surface casing bradenheads, bradenhead valves are accessible.		
Corrective Action:		Date:	
Type: Horizontal Heated Separator	# 4		
Comment:			
Corrective Action:		Date:	
Type: Ancillary equipment	# 1		
Comment:	Liquid nitrogen tank		
Corrective Action:		Date:	
Type: Ancillary equipment	# 2		
Comment:	Chemical tanks		
Corrective Action:		Date:	
Type: Other	# 1		
Comment:	Trailer mounted pressure washer		
Corrective Action:		Date:	
Type: Other	# 1		
Comment:	Excavator		
Corrective Action:		Date:	

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
METHANOL	1	<50 BBLS	STEEL AST		,
Comment:					
Corrective Action:					Date:

Paint

Condition	Adequate
Other (Content)	
Other (Capacity)	500 gal
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate				
Comment:	Separate containment				
Corrective Action:				Date:	
Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	1	500 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:

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	Inadequate	Walls Insufficient		Inadequate
Comment:	Hole 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: 04/02/2025

Venting:

Yes/No	NO	
Comment:		
Corrective Action:		Date:

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected FacilitiesFacility ID: 89056 Type: WELL API Number: 045-07386 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: 89057 Type: WELL API Number: 045-07387 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: 89060 Type: WELL API Number: 045-07390 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: 421166 Type: WELL API Number: 045-20326 Status: PR Insp. Status: PR**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: Shut In

Corrective Action:

Date:

BradenHeadDate of Last Brhd Test: 06/25/2024

Annual Brhd Completed? _____

Last Brhd Test Results Initial Surf Csg Pressure: 11

Fluid Type: _____

End Surf Csg Pressure: 0Comment: Intermediate Casing not tested annually/failure to comply with CECMC bradenhead monitoring, testing & reporting rules03/20/2025Corrective Action: Comply with CECMC bradenhead monitoring, testing & reporting rules

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
		Culverts				
Berms						
		Gravel				Sparse to none in most sections
Other	Fail					Stockpiled soils on location with no BMP's
Ditches						
Rip Rap						
Compaction						Light compaction in some areas
				Material Handling And Spill Prevention	Fail	Failure to maintain chemical BMP
Gravel						Sparse to none in areas
Retention Ponds						
		Ditches				

Comment:

1. Failure to maintain chemical BMP - Chemical tank containment full of fluid/BMP insufficient to contain possible spill. (Additionally there's standing fluid on top of the containment which also constitutes a wildlife hazard.)

At approximately 16:56 hours observed that chemical tank containment was full of fluid & that there was standing fluid on top of the containment as well. At approximately 16:58 hours I called & spoke with Justin Johnson from QB Energy & let him know about the chemical tank containment & that I was issuing 24 hour corrective action on the observed compliance issue. He said he'd make some calls & get it taken care of.

2. Multiple soil stockpiles on location with no BMP's

Corrective Action:

Comply with CECMC Stormwater rules

Date: 03/14/2025

Pits: ☒ NO SURFACE INDICATION OF PIT

ECMC Comments

Comment	User	Date
Please refer to Housekeeping, Tanks & Berms, Inspected Facilities & Stormwater for corrective actions & also refer to Signs/Marker & Equipment for comments.	smelserw	03/13/2025

Attached Documents

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

Document Num	Description	URL
404127574	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6959038
708905970	Inspection/Audit 708905969 Stormwater photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6959036
708905971	Inspection/Audit 708905969 photo log	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6959037