

**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 FORM

Loc ID 334836 Inspector Name: Smelser, Wayne On-Site Inspection 2A Doc Num: _____

Status Summary:

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED

Operator Information:

ECMC Operator Number: 10456
Name of Operator: CAERUS PICEANCE LLC
Address: 1001 17TH STREET #1600
City: DENVER State: CO Zip: 80202

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			Date:
Overall Good: <input type="checkbox"/>			
Signs/Marker:			
Type	CONTAINERS		
Comment:	Chemical tank		
Corrective Action:			Date:
Type	WELLHEAD		
Comment:	Signs at separators		
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	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:	Sign on lease road at gate approximately 65 yards from entrance to location		
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:
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		
In Containment: No				
Comment: <input type="text"/>				
<input type="checkbox"/> Multiple Spills and Releases?				

Equipment:

Type	Area	Volume		corrective date
Type: Bird Protectors		# 2		
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: Plunger Lift		# 6		
Comment: All wells on plunger lift				
Corrective Action:				Date:
Type: Gas Meter Run		# 1		
Comment: Summit Midstream				
Corrective Action:				Date:
Type: Vertical Heated Separator		# 6		
Comment:				
Corrective Action:				Date:
Type: Gas Meter Run		# 6		
Comment:				
Corrective Action:				Date:
Type: Bradenhead		# 6		
Comment: Pressure transducers located on bradenheads, bradenhead valves are accessible.				
Corrective Action:				Date:
Type: Ancillary equipment		# 1		
Comment: Chemical tank				
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: If tank is in service comply with CECMC rules for in-service tanks and process vessels or If tank is out of service comply with CECMC rules for out of service tanks and process vessels Additionally comply with 900 series rules for any E & P waste on the side of the tank & in the secondary containment	Date: <u>04/26/2025</u>
---	-------------------------

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: Shut In 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: Shut In 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: Shut In 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
				Material Handling And Spill Prevention	Fail	Failure to maintain chemical BMP
		Ditches				
Ditches						
Gravel						Sparse to none in areas
Compaction						Small amount of light compaction
		Check Dams				
		Culverts				
		Rip Rap				
		Compaction				
Berms						
		Gravel				Sparse to none

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
404178853	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7022110
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