

**FORM
INSP**

Rev
X/20

**State of Colorado
Energy and Carbon Management Commission**

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Inspection Date:

12/19/2025

Submitted Date:

12/21/2025

Document Number:

693809102

FIELD INSPECTION FORM

Loc ID 440803 Inspector Name: BROWNING, CHUCK 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: 77330
Name of Operator: SG INTERESTS I LTD
Address: 100 WAUGH DR SUITE 400
City: HOUSTON State: TX Zip: 77007

Findings:

- 20 Number of Comments
- 1 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
Kosola, Jason		jason.kosola@state.co.us	
,	970-385-0696	inspection@sginterests.com	All Inspections
Browning, Chuck	970-433-4139	chuck.browning@state.co.us	Field Inspector
Labowskie, Steve		steve.labowskie@state.co.us	
Sanford, Eric		esanford@sginterests.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
438645	WELL	PR	12/01/2017	GW	051-06045	Falcon Seaboard 11-90-12 3	SI
441412	WELL	PR	10/01/2017	GW	051-06139	Falcon Seaboard 11-90-12 5	SI
441922	WELL	WO	09/01/2025	LO	051-06148	Falcon Seaboard 11-90-12 4HC	SI

General Comment:

ECMC Inspection/Audit Report Summary

On December 19, 2025, at 0447 hrs, ECMC Compliance Specialist Chuck Browning, was contacted by SG Interests I LLC-77330 reporting a fire on the Falcon Seaboard 11-90-12 #4HC well, API#05-051-06148, LocID#440803, in Gunnison County, Colorado. It was reported that the fire occurred at approx 0300 hrs, and currently all wells on location had been shut in and the fire extinguished using fresh water by Paonia Fire Dept.

Upon arrival on location at approx 0900 hrs, I observed the following: 3 Separators, 9 Frac/Flowback trailers damaged by fire. The fire damage was contained in an area approx 40'x80'. No Damage to wellheads or permanent tank battery was observed. No damage occurred outside of location, and fluid spills were limited to immediate separator area. See attached photos.

During the inspection/audit, the following compliance procedures were observed:

- 1) All concerned parties/agencies were contacted in a timely manner.
- 2) Form 22 Accident report was filed same day, reporting a Grade 1 gas leak, 300 gal ethylene glycol spill and 110 gal pipeline corrosion inhibitor spill.
- 3) Operator was in contact with ECMC West area Environmental Specialist Jason Kosola and Jake Harter with Cottonwood Consulting regarding the clean-up and testing requirements. A form 19 will be submitted by operator for spill reporting.
- 4) Verbal & Email approval by Chuck Browning was given to SG to immediately commence equipment removal to prevent further site/soil degradation from leaking separators. A Form 27 will be submitted by operator for equipment removal/replacement.
- 5) A Form 4 Sundry notice will be submitted by operator reporting all subsequent operations.

Any corrective action(s) from previous inspection that have not been addressed are still applicable

Location			
Lease Road:			
Type	Main		
comment:	Hwy 133 to FS265		
Corrective ActionL		Date:	
Type	Access		
comment:	265C		
Corrective ActionL		Date:	
Overall Good: <input checked="" type="checkbox"/>			
Signs/Marker:			
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	
Emergency Contact Number:			
Comment:	866-261-9766		
Corrective Action:		Date:	_____
Good Housekeeping:			
Type	TRASH		
Comment:	Dumpster for cleanup after completion		
Corrective Action:		Date:	
Overall Good: <input checked="" type="checkbox"/>			
Spills:			
Type	Area	Volume	
Other	Separator	<= 1 bbl	
Comment:	Form 22 Doc#404480463 submitted 12/19/2025 states "At time of this filing, SG believes that approximately 750 mcf of methane gas was released to atmosphere and/or combusted by the fire. This calculation is based on known well production volumes and time calculation from scada notification of well production drop and well shut-in. Additionally, approximately 300 gallons of ethylene glycol stored within the damaged separator and approximately 110 gallons of pipeline corrosion inhibitor were spilled."		
Corrective Action:	Submit appropriate Forms 22(submitted 12/19/2025), 19, 27 & 4		Date: 01/14/2026
In Containment: No			
Comment:	Operator is in contact with appropriate ECMC environmental staff for further required document submittal.		
<input type="checkbox"/> Multiple Spills and Releases?			
Equipment:			
Type: Bradenhead	# 3		corrective date
Comment:			
Corrective Action:		Date:	

Type: Bird Protectors	# 8		
Comment:			
Corrective Action:			Date:
Type: Horizontal Heated Separator	# 3		
Comment:	Damaged by fire		
Corrective Action:			Date:
Type: Flow Line	# 1		
Comment:	Off location flowline. Not damaged by fire.		
Corrective Action:			Date:
Type: Plunger Lift	# 1		
Comment:			
Corrective Action:			Date:
Type:	#		
Comment:			
Corrective Action:			Date:

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	1	200 BBLs	STEEL AST		39.112589,-107.398654
Comment:	Inside same berms as 400 bbl Produced water tanks. Undamaged by fire.				
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficient	Base Sufficient	Adequate
Comment:				
Corrective Action:				Date:

Contents	#	Capacity	Type	Tank ID	SE GPS
PRODUCED WATER	4	400 BBLs	HEATED STEEL AST		39.112589,-107.398654
Comment:	Tank battery not damaged by fire				
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate	Walls Sufficent	Base Sufficent	Adequate	
Comment:					
Corrective Action:					Date:
Contents	#	Capacity	Type	Tank ID	SE GPS
OTHER	12	500 BBLs	OTHER		,
Comment: Portable Frac/flowback tanks. 9 damaged by fire.					
Corrective Action:					Date:
Paint					
Condition					
Other (Content)					
Other (Capacity)					
Other (Type)					
Berms					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Comment: Tanks empty, set on temporary plastic berms.					
Corrective Action:					Date:
Wells Served By Facilities Above					
API Number			AirsID		
051-06148			API Number		
051-06139			AirsID		
051-06045					
Venting:					
Yes/No	NO				
Comment:					
Corrective Action:					Date:
Flaring:					
Type					
Comment:					
Corrective Action:					Date:

Inspected Facilities

Facility ID: 438645 Type: WELL API Number: 051-06045 Status: PR Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: Shut in 12/19/2025 due to fire.

Corrective Action: _____ Date: _____

BradenHead

Date of Last Brhd Test: 10/25/2024 Annual Brhd Completed? Yes

Last Brhd Test Results Initial Surf Csg Pressure: 8 Fluid Type: NONE

End Surf Csg Pressure: 0

Comment: Form 17 Doc#404473766 tested 12/11/2025

Corrective Action: _____ Date: _____

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Facility ID: 441412 Type: WELL API Number: 051-06139 Status: PR Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: Shut in 12/19/2025 due to fire.

Corrective Action: _____ Date: _____

BradenHead

Date of Last Brhd Test: 12/03/2024 Annual Brhd Completed? Yes

Last Brhd Test Results Initial Surf Csg Pressure: 56 Fluid Type: NONE

End Surf Csg Pressure: 0

Comment: Form 17 Doc#404473743 tested 12/11/2025.

Corrective Action: _____ Date: _____

The subreport 'InspWellFlowline' could not be found at the specified location \\10.14.12

Facility ID: 441922 Type: WELL API Number: 051-06148 Status: WO Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: Shut in 12/19/2025 due to fire.

Corrective Action: _____ Date: _____

BradenHead

Date of Last Brhd Test: 10/22/2025 Annual Brhd Completed? Yes

Last Brhd Test Results Initial Surf Csg Pressure: 100 Fluid Type: GAS

End Surf Csg Pressure: 0

Comment: _____

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	Pass	Ditches	Pass			
Berms	Pass	Gravel	Pass			
Seeding	Pass	Culverts	Pass			
Comment: <input style="width:90%;" type="text"/> Corrective Action: <input style="width:90%;" type="text"/>						Date: _____
Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT						

ECMC Comments		
Comment	User	Date
<p>On December 19, 2025, at 0447 hrs, ECMC Compliance Specialist Chuck Browning, was contacted by SG Interests I LLC-77330 reporting a fire on the Falcon Seaboard 11-90-12 #4HC well, API#05-051-06148, LocID#440803, in Gunnison County, Colorado. It was reported that the fire occurred at approx 0300 hrs, and currently all wells on location had been shut in and the fire extinguished using fresh water by Paonia Fire Dept.</p> <p>Upon arrival on location at approx 0900 hrs, I observed the following: 3 Separators, 9 Frac/Flowback trailers damaged by fire. The fire damage was contained in an area approx 40'x80'. No Damage to wellheads or permanent tank battery was observed. No damage occurred outside of location, and fluid spills were limited to immediate separator area. See attached photos.</p> <p>During the inspection/audit, the following compliance procedures were observed:</p> <ol style="list-style-type: none"> 1) All concerned parties/agencies were contacted in a timely manner. 2) Form 22 Accident report was filed same day, reporting a Grade 1 gas leak, 300 gal ethylene glycol spill and 110 gal pipeline corrosion inhibitor spill. 3) Operator was in contact with ECMC West area Environmental Specialist Jason Kosola and Jake Harter with Cottonwood Consulting regarding the clean-up and testing requirements. A form 19 will be submitted by operator for spill reporting. 4) Verbal & Email approval by Chuck Browning was given to SG to immediately commence equipment removal to prevent further site/soil degradation from leaking separators. A Form 27 will be submitted by operator for equipment removal/replacement. 5) A Form 4 Sundry notice will be submitted by operator reporting all subsequent operations. 	browninc	12/21/2025

Attached Documents

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

Document Num	Description	URL
404482910	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=7387033
693809106	Inspection photos 12/19/2025	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=7387029