

**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:

04/28/2025

Submitted Date:

04/29/2025

Document Number:

708906372**FIELD INSPECTION FORM**Loc ID 334942 Inspector Name: Smelser, Wayne On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**ECMC Operator Number: 10844Name of Operator: QB ENERGY OPERATING LLCAddress: 1001 17TH STREET SUITE 1600City: DENVER State: CO Zip: 80202**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**24 Number of Comments1 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 |
|-------------|------|--------|-------------|------------|-----------|----------------------|-------------|
| 273868 | WELL | PR | 04/01/2022 | GW | 045-10295 | CRAIG (K35NW) 35-12C | PR |
| 273869 | WELL | PR | 04/01/2022 | GW | 045-10294 | CRAIG (K35NW) 35-11C | PR |
| 273870 | WELL | PR | 04/01/2022 | GW | 045-10293 | CRAIG 35-12B(K35NW) | PR |
| 273871 | WELL | PR | 04/01/2022 | GW | 045-10292 | CRAIG (K35NW) 35-7A | PR |
| 273951 | WELL | PR | 04/01/2022 | GW | 045-10306 | CRAIG 35-11B (K35NW) | PR |
| 273953 | WELL | PR | 04/01/2022 | GW | 045-10307 | CRAIG (K35NW) 35-15C | PR |

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

On 04/28/2025 at approximately 16:16 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB ENERGY OPERATING LLC CRAIG (K35NW) 35-12C pad

Location # 334942 in Garfield County Colorado.

Location is within High Priority/Density/Black Bear Habitat areas & in close proximity to NSO Habitat area.

Location is approximately 600 yards from Rule 411a Surface Water External Buffer.

While there, I observed normal production operations.

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

1. Tanks & Berms - Holes in secondary containment liner/liner needs maintenance with a CA date of 5/19/2025

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 | OTHER | | |
| Comment: | Sign at entrance to location | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | | | |
| 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 | 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 | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment: 911/970-285-2615

Corrective Action:

Date: _____

Overall Good: ☐

| | | | | |
|----------------|------|--------|--|--|
| Spills: | | | | |
| Type | Area | Volume | | |

In Containment: No

Comment:

☐ Multiple Spills and Releases?

| | | | |
|--------------------|-------------------------------|-------|--|
| Fencing/: | | | |
| Type | OTHER | | |
| Comment: | Pig station - pipe rail fence | | |
| Corrective Action: | | Date: | |

| | | | |
|-----------------------------------|---|--|-----------------|
| Equipment: | | | corrective date |
| Type: Bird Protectors | # 2 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Pig Station | # 1 | | |
| Comment: | | | |
| 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: Bradenhead | # 6 | | |
| Comment: | Pressure transducers located on bradenheads, bradenhead valves are accessible | | |
| Corrective Action: | | | Date: |
| Type: Vertical Heated Separator | # 5 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Gas Meter Run | # 6 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

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: |

Inspector Name: Smelser, Wayne

| | | | | | | |
|--------------------|------------|--|---------------------|-------------|--------|------------------|
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| CONDENSATE | 2 | 500 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 | 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: 05/19/2025 |
| Venting: | | | | | | |
| Yes/No | NO | | | | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |
| Flaring: | | | | | | |
| Type | | | | | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |

Inspected Facilities

Facility ID: 273868 Type: WELL API Number: 045-10295 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: 273869 Type: WELL API Number: 045-10294 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: 273870 Type: WELL API Number: 045-10293 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: 273871 Type: WELL API Number: 045-10292 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: 273951 Type: WELL API Number: 045-10306 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: 273953 Type: WELL API Number: 045-10307 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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|--------------------------------|
| Compaction | | | | | | Light compaction in some areas |
| Rip Rap | | | | | | |
| | | Compaction | | | | Light compaction in some areas |
| Sediment Traps | | | | | | |
| | | Culverts | | | | |
| Gravel | | | | | | Sparse to none in areas |
| Ditches | | | | | | |
| | | Ditches | | | | |
| | | Gravel | | | | Sparse to none |
| Berms | | | | | | |

Comment: Corrective Action: Date: **Pits:** ☒ NO SURFACE INDICATION OF PIT**ECMC Comments**

| Comment | User | Date |
|--|----------|------------|
| Please refer to Tanks & Berms for corrective action & also refer to Signs/Marker for comments. | smelserw | 04/29/2025 |

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

| Document Num | Description | URL |
|--------------|---|---|
| 404184007 | INSPECTION SUBMITTED | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7027670 |
| 708906373 | Inspection/Audit 708906372 Stormwater photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7027668 |
| 708906374 | Inspection/Audit 708906372 photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7027669 |