

**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:

06/04/2025

Submitted Date:

06/05/2025

Document Number:

708906664

FIELD INSPECTION FORM

Loc ID: 335560 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: 10844
Name of Operator: QB ENERGY OPERATING LLC
Address: 1001 17TH STREET SUITE 1600
City: DENVER State: CO Zip: 80202

Findings:

- 42 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 |
|-------------------|-------|--------------------------------|---------|
| QB Energy | | ecmc.inspections@qb-energy.com | |
| Katz, Aaron | | aaron.katz@state.co.us | |
| Haverkamp, Curtis | | curtis.haverkamp@state.co.us | |
| Popejoy, Dusty | | dusty.popejoy@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|------------------------------|-------------|
| 284554 | WELL | PR | 05/02/2006 | GW | 045-12211 | N.PARACHUTE MF02C D09A 696 | PR |
| 284555 | WELL | PR | 09/01/2007 | GW | 045-12210 | N.PARACHUTE MF02A D09A 696 | PR |
| 284556 | WELL | PR | 03/28/2007 | GW | 045-12209 | N. PARACHUTE MF20C D09A696 | PR |
| 284557 | WELL | SI | 05/01/2024 | GW | 045-12208 | N.PARCHUTE MF07C D09A 696 | SI |
| 284558 | WELL | SI | 07/01/2024 | GW | 045-12207 | N.PARACHUTE MF07A D09A 696 | SI |
| 284559 | WELL | PR | 05/02/2006 | GW | 045-12206 | N.PARACHUTE MF06C D09A 696 | PR |
| 284560 | WELL | PR | 08/01/2017 | GW | 045-12205 | N.PARACHUTE MF 05B D09A 696 | PR |
| 289509 | WELL | PR | 02/28/2007 | GW | 045-13793 | N. PARACHUTE MF20A D09A 696 | PR |
| 297094 | WELL | PR | 06/01/2009 | GW | 045-16299 | N. PARACHUTE MF02B-9 D09A 69 | PR |
| 297095 | WELL | PR | 06/01/2018 | GW | 045-16300 | N. PARACHUTE MF03C-9 D09A 69 | PR |
| 297096 | WELL | PR | 04/01/2022 | GW | 045-16301 | N. PARACHUTE MF03A-9 D09A 69 | PR |
| 297097 | WELL | PR | 05/09/2009 | GW | 045-16302 | N. PARACHUTE MF03D-9 D09A 69 | PR |

| | | | | | | | |
|--------|------|----|------------|----|-----------|---------------------------------|----|
| 297100 | WELL | SI | 04/01/2024 | GW | 045-16305 | N. PARACHUTE MF04A-9 D09A 69 | SI |
| 297101 | WELL | PR | 06/01/2009 | GW | 045-16306 | N. PARACHUTE MF04C-9 D09A 69 | PR |
| 299810 | WELL | PR | 07/03/2009 | GW | 045-17757 | N. PARACHUTE MF06B-9 D09A 69 | PR |
| 299811 | WELL | PR | 06/29/2009 | GW | 045-17758 | N. PARACHUTE MF06C-9 D09A 69 | PR |
| 299812 | WELL | PR | 03/01/2025 | GW | 045-17759 | N. PARACHUTE MF05D-9 D09A 69 | PR |
| 299813 | WELL | SI | 05/01/2024 | GW | 045-17760 | N. PARACHUTE MF05B-9 D09A 69 | SI |

General Comment:

[CECMC Inspection/Audit Report Summary](#)

On 06/04/2025 at approximately 15:08 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB ENERGY OPERATING LLC N.PARACHUTE D09A 696 Pad

Location # 335560 in Garfield County Colorado.

Location is within High Priority/Density/NSO/Black Bear Habitat areas.

Location is approximately 60 yards from Parachute Creek.

While there, I observed normal production operations.

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

1. Equipment - Kelly hose open ended/wildlife hazard/available for entry by wildlife with a CA date of 06/12/2025
2. Tanks & Berms - Tank failure - Multiple holes & crack in tank/tank lacks integrity with a CA date of 07/05/2025
3. Inspected Facilities - Multiple wells lack wellbore diagrams with a CA date of 07/05/2025
4. Stormwater - Failure to maintain chemical BMP with a CA date of 06/08/2025

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:

| | | | |
|----------------------|---|--|-------|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type | OTHER | | |
| Comment: | Location sign at intersection of Parachute Creek Road & start of lease road laying on the ground - please refer to photo log | | |
| Corrective Action: | | | Date: |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type | CONTAINERS | | |
| Comment: | Chemical tanks | | |
| 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: |

| | | | |
|----------------------------------|------------------|--|-------------|
| 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 | WELLHEAD | | |
| Comment: | Jersey barriers | | |
| Corrective Action: | | | Date: |

| | | | |
|--------------------|---|-------|--|
| Type | OTHER | | |
| Comment: | Sales & gas lift meter houses - jersey barriers | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Chemical tanks - Jersey barriers | | |
| Corrective Action: | | Date: | |

| Equipment: | | | corrective date |
|----------------------------|--|-------|-----------------|
| Type: Plunger Lift | # 18 | | |
| Comment: | All wells on plunger lift | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Separator | # 1 | | |
| Comment: | Trailer mounted test separator | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 18 | | |
| Comment: | Gas lift | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 18 | | |
| Comment: | Sales | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Thermogen | | |
| Corrective Action: | | Date: | |
| Type: Ancillary equipment | # 3 | | |
| Comment: | Chemical tanks | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 18 | | |
| Comment: | MF03D-9 well has no form of pressure monitoring equipment located on bradenhead, bradenhead valve is accessible. Remaining 17 wells are equipped with Taylor plugs on bradenhead, bradenhead valves are accessible. | | |
| Corrective Action: | | Date: | |
| Type: Other | # 1 | | |
| Comment: | Kelly hose open ended/wildlife hazard/available for entry by wildlife | | |
| Corrective Action: | Comply with CECMC wildlife rules | Date: | 06/12/2025 |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|--|-----------|-----------|---------|------------------|
| PRODUCED WATER | 1 | <100 BBLS | STEEL AST | | , |
| Comment: | Tank failure - Multiple holes & crack in tank/tank lacks integrity Additionally holes in tank also constitute a wildlife hazard Tank is also not in compliance with CECMC Rule 425 | | | | |
| Corrective Action: | Comply with 600 series rules | | | | Date: 07/05/2025 |

| | | | | |
|--------------------|------------|---------------------|---------------------|-------------|
| Paint | | | | |
| Condition | Inadequate | | | |
| Other (Content) | | | | |
| Other (Capacity) | 80 bbl | | | |
| Other (Type) | | | | |
| Berms | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
| Metal | Adequate | Walls Sufficent | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Venting: | | | | |
| Yes/No | NO | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Flaring: | | | | |
| Type | | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

Inspected Facilities

Facility ID: 284554 Type: WELL API Number: 045-12211 Status: PR Insp. Status: PR

Producing Well

| | | |
|--------------------|---|-------------------------|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 Additionally the N.PARACHUTE MF02A, N. PARACHUTE MF20C, N.PARCHUTE MF07C, N.PARACHUTE MF07A, N.PARACHUTE MF06C, N.PARACHUTE MF 05B, N. PARACHUTE MF20A, N. PARACHUTE MF02B-9, N. PARACHUTE MF03C-9, N. PARACHUTE MF03A-9, N. PARACHUTE MF03D-9, N. PARACHUTE MF04A-9, N. PARACHUTE MF06B-9, N. PARACHUTE MF05D-9 & N. PARACHUTE MF05B-9 wells also lack wellbore diagrams/not in compliance with CECMC Rule 420. | |
| Corrective Action: | Comply with CECMC Rule 420 & submit wellbore diagrams via FORM 4 SUNDRY or FORM 17 | Date: <u>07/05/2025</u> |

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

Facility ID: 284555 Type: WELL API Number: 045-12210 Status: PR Insp. Status: PR

Producing Well

| | | |
|--------------------|---|-------|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 | |
| Corrective Action: | | Date: |

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

Facility ID: 284556 Type: WELL API Number: 045-12209 Status: PR Insp. Status: PR

Producing Well

| | | |
|--------------------|---|-------|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 | |
| Corrective Action: | | Date: |

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

Facility ID: 284557 Type: WELL API Number: 045-12208 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

| | | |
|--------------------|--|-------|
| Comment: | Shut In Last produced April 2024 Well lacks wellbore diagram/not in compliance with CECMC Rule 420 | |
| Corrective Action: | | Date: |

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

Facility ID: 284558 Type: WELL API Number: 045-12207 Status: SI Insp. Status: SI

Producing Well

| | | |
|--------------------|---|-------|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 | |
| Corrective Action: | | Date: |

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

Facility ID: 284559 Type: WELL API Number: 045-12206 Status: PR Insp. Status: PR

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 284560 | Type: WELL | API Number: 045-12205 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 289509 | Type: WELL | API Number: 045-13793 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 297094 | Type: WELL | API Number: 045-16299 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 297095 | Type: WELL | API Number: 045-16300 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 297096 | Type: WELL | API Number: 045-16301 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | |
|---------------------|------------|-----------------------|------------|------------------|
| Facility ID: 297097 | Type: WELL | API Number: 045-16302 | Status: PR | Insp. Status: PR |
|---------------------|------------|-----------------------|------------|------------------|

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 297100 | Type: | WELL | API Number: | 045-16305 | Status: | SI | Insp. Status: | SI |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 297101 | Type: | WELL | API Number: | 045-16306 | Status: | PR | Insp. Status: | PR |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|

| Producing Well | |
|--------------------|--|
| Comment: | Producing, well on plunger lift & gas lift |
| Corrective Action: | Date: |

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

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 299810 | Type: | WELL | API Number: | 045-17757 | Status: | PR | Insp. Status: | PR |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 299811 | Type: | WELL | API Number: | 045-17758 | Status: | PR | Insp. Status: | PR |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|

| Producing Well | |
|--------------------|--|
| Comment: | Producing, well on plunger lift & gas lift |
| Corrective Action: | Date: |

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

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 299812 | Type: | WELL | API Number: | 045-17759 | Status: | PR | Insp. Status: | PR |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|

| Producing Well | |
|--------------------|---|
| Comment: | Producing, well on plunger lift & gas lift Well lacks wellbore diagram/not in compliance with CECMC Rule 420 |
| Corrective Action: | Date: |

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

| | | | | | | | | | |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 299813 | Type: | WELL | API Number: | 045-17760 | Status: | SI | Insp. Status: | SI |
|--------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: Shut In
Last produced April 2024
Well lacks wellbore diagram/not in compliance with CECMC Rule 420

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 |
|------------------|-----------------|-------------------------|-----------------------|--|--------------------------|---|
| | | Culverts | | | | |
| Other | | | | | | Hay bales |
| | | Compaction | | | | |
| Berms | | | | | | |
| | | Paving | | | | |
| | | | | Material Handling And Spill Prevention | Fail | Failure to maintain chemical BMP |
| | | Ditches | | | | |
| Ditches | | | | | | |
| Gravel | | | | | | Sparse to none in areas |
| | | Gravel | | | | Sparse |
| Compaction | | | | | | |
| Other | | | | | | Small portable containment for test separator |
| | | Drains | | | | |

Comment: 1. Failure to maintain chemical BMP - Chemical tank containment approximately 3/4 full of fluid/BMP insufficient to contain possible spill

Corrective Action: Comply with CECMC Stormwater rules

Date: 06/08/2025

Pits: NO SURFACE INDICATION OF PIT

ECMC Comments

| Comment | User | Date |
|---|----------|------------|
| Please refer to Equipment, Tanks & Berms, Inspected Facilities & Stormwater for corrective actions & also refer to Signs/Marker for comments. | smelserw | 06/05/2025 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---|---|
| 708906665 | Inspection/Audit 708906664 Stormwater photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7083866 |
| 708906666 | Inspection/Audit 708906664 photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7083867 |