

**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:

06/06/2025

Submitted Date:

06/06/2025

Document Number:

708906677

FIELD INSPECTION FORM

Loc ID: 335778 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:

- 20 Number of Comments
- 5 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 |
|-------------------|-------|--------------------------------|---------|
| Katz, Aaron | | aaron.katz@state.co.us | |
| Popejoy, Dusty | | dusty.popejoy@state.co.us | |
| QB Energy | | ecmc.inspections@qb-energy.com | |
| Heil, John | | john.heil@state.co.us | |
| Haverkamp, Curtis | | curtis.haverkamp@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 259717 | WELL | PR | 02/01/2023 | GW | 045-07770 | UNOCAL 24-4D | PR |
| 259718 | WELL | SI | 03/01/2025 | GW | 045-07771 | UNOCAL 13-4D | PR |
| 259719 | WELL | SI | 10/01/2022 | GW | 045-07772 | UNOCAL 23-4D | SI |

General Comment:

CECMC Inspection/Audit Report Summary

On 06/06/2025 at approximately 10:43 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB ENERGY OPERATING LLC UNOCAL 4 696 ECA Pad

Location # 335778 in Garfield County Colorado.

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

Location is approximately 253 yards from Granlee Ditch & approximately 281 yards from Parachute Creek.

While there, I observed normal production operations.

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

1. Housekeeping - Holes in cellar cover/wildlife hazard with a CA date of 06/13/2025
2. Equipment - Flowline heating insulation open ended/wildlife hazard with a CA date of 06/13/2025
3. Tanks & Berms - Multiple holes in secondary containment liner/liner needs maintenance with a CA date of 06/26/2025
4. Tanks & Berms - Tank failure - Multiple holes in tank/tank lacks integrity with a CA date of 07/06/2025
5. Inspected Facilities - UNOCAL 24-4D well lacks wellbore diagram with a CA date of 07/06/2025

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 | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type | WELLHEAD | | |
| 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: |
| Emergency Contact Number: | | | |
| Comment: | 911/970-285-2615 | | |
| Corrective Action: | | | Date: _____ |
| Good Housekeeping: | | | |
| Type | OTHER | | |
| Comment: | Holes in cellar cover/wildlife hazard/available for entry by wildlife | | |
| Corrective Action: | Comply with CECMC wildlife rules | | Date: 06/13/2025 |
| Overall Good: <input type="checkbox"/> | | | |
| Spills: | | | |
| Type | Area | Volume | |
| In Containment: No _____ | | | |
| Comment: | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | |
| Fencing/: | | | |
| Type | WELLHEAD | | |
| Comment: | Pipe rail fence | | |
| Corrective Action: | | | Date: |
| Type | OTHER | | |
| Comment: | Pig station - pipe rail fence | | |

| | | | |
|-----------------------------------|--|-------|-----------------|
| Corrective Action: | | Date: | |
| Equipment: | | | corrective date |
| Type: Horizontal Heated Separator | # 3 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Deadman # & Marked | # 1 | | |
| Comment: | Marked | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 3 | | |
| Comment: | No form of pressure monitoring equipment located on bradenheads, bradenhead valves are accessible. | | |
| Corrective Action: | | Date: | |
| Type: Other | # 1 | | |
| Comment: | Flowline heating insulation open ended/wildlife hazard/available for entry by wildlife | | |
| Corrective Action: | Comply with CECMC wildlife rules | Date: | 06/13/2025 |
| Type: Gas Meter Run | # 3 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Pig Station | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 3 | | |
| Comment: | All wells on plunger lift | | |
| Corrective Action: | | Date: | |
| Type: Bird Protectors | # 3 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|--|----------|-----------|---------|------------------|
| CONDENSATE | 1 | 300 BBLs | STEEL AST | | , |
| Comment: | Tank failure - Multiple holes in tank/tank lacks integrity | | | | |
| Corrective Action: | Comply with CECMC 600 series rules | | | | Date: 07/06/2025 |

Paint

| | |
|------------------|--|
| Condition | |
| Other (Content) | |
| Other (Capacity) | |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|-------|------------|---------------------|---------------------|-------------|
| Metal | Inadequate | Walls Insufficient | | Inadequate |

| | | | |
|--------------------|--|-------|------------|
| Comment: | Multiple holes in secondary containment liner/liner in disrepair/liner needs maintenance | Date: | 06/26/2025 |
| Corrective Action: | The liner will be sufficiently impervious so that any discharge from a primary containment system will not escape containment before cleanup occurs. | | |

Venting:

| | | | |
|--------------------|----|-------|--|
| Yes/No | NO | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Flaring:

| | | |
|--------------------|--|-------|
| Type | | |
| Comment: | | |
| Corrective Action: | | Date: |

Inspected Facilities

Facility ID: 259717 Type: WELL API Number: 045-07770 Status: PR Insp. Status: PR

Producing Well

Comment: Producing, well on plunger lift

UNOCAL 24-4D well lacks wellbore diagram

Corrective Action: Comply with CECMC Rule 420 & submit wellbore diagram via FORM 4 SUNDRY or FORM 17

Date: 07/06/2025

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

Facility ID: 259718 Type: WELL API Number: 045-07771 Status: SI 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: 259719 Type: WELL API Number: 045-07772 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment: Shut In

OUT OF SERVICE DESIGNATION - FORM 6A document # 403150040

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 | | | | Sparse |
| Rip Rap | | | | | | |
| | | Ditches | | | | |
| Compaction | | | | | | Small amount of light compaction |
| Gravel | | | | | | Sparse to none in most areas |
| | | Culverts | | | | |
| Berms | | | | | | |
| Sediment Traps | | | | | | |
| | | Compaction | | | | Small amount of light compaction |
| Ditches | | | | | | |

Comment:

Corrective Action:

Date: _____

Pits: NO SURFACE INDICATION OF PIT

ECMC Comments

| Comment | User | Date |
|--|----------|------------|
| Please refer to Housekeeping, Equipment, Tanks & Berms & Inspected Facilities for corrective actions | smelserw | 06/06/2025 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|---|---|
| 404232646 | INSPECTION SUBMITTED | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7085833 |
| 708906678 | Inspection/Audit 708906677 Stormwater photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7085831 |
| 708906679 | Inspection/Audit 708906677 photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7085832 |