



CECMC Inspection/Audit Report Summary

On 07/24/2025 at approximately 11:30 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB ENERGY OPERATING LLC FEDERAL 14-8 (OH14) Pad

Location # 334360 in Mesa County Colorado.

Location is within High Priority/Density/Black Bear Habitat areas & in close proximity to Bald Eagle Nest & Roost sites.

Location is approximately 615 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. Signs/Marker - Production tank lacks required info, labeling on 1 chemical tank weathered & illegible & chemical drum labeling damaged/chemical drum lacks required info with a CA date of 08/23/2025
2. Housekeeping - Staining in multiple areas near compressor with a CA date of 07/31/2025
3. Housekeeping - Containment open/unsecured/wildlife hazard/available for entry by wildlife with a CA date of 07/31/2025
4. Housekeeping - Trash & debris on location with a CA date of 07/31/2025
5. Equipment - PRV vent lines on compressor do not comply with CECMC pressure safety device rules with a CA date of 07/31/2025
6. Stormwater - Failure to maintain chemical BMP, chemical drums lack BMP's & berm needs maintenance with a CA date of 07/25/2025

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			
<b>Lease Road:</b>			
Type	Access		
comment:			
Corrective Action	L		Date:
Overall Good: <input type="checkbox"/>			
<b>Signs/Marker:</b>			
Type	WELLHEAD		
Comment:			
Corrective Action:			Date:
Type	CONTAINERS		
Comment:	Chemical tanks		
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:	Signs at separators		
Corrective Action:			Date:
Type	BATTERY		
Comment:			
Corrective Action:			Date:
Type	TANK LABELS/PLACARDS		
Comment:	Labeling on 1 chemical tank weathered & illegible/not in compliance with CECMC rules Chemical drum labeling damaged/chemical drum lacks required info 1 production tank lacks required info - missing operator contact #		
Corrective Action:	Comply with with CECMC labeling rules		Date: 08/23/2025
Type	OTHER		
Comment:	Sign at entrance to location		
Corrective Action:			Date:
Emergency Contact Number:			
Comment:	911/970-285-2615		
Corrective Action:			Date: _____
<b>Good Housekeeping:</b>			
Type	TRASH		

Comment:	Trash bag & debris laying on the ground near compressor, debris in tank battery secondary containment & near Kold Katcher.	
Corrective Action:	Comply with CECMC 600 & 900 series rules -  Operators will properly dispose of all trash, rubbish, and other waste materials as nonhazardous/non-E&P solid waste, pursuant to Rule 906.c.  All trash, rubbish, and other waste material will be properly contained until removed from the Oil and Gas Location. At no time will trash, debris, or rubbish be placed or remain on the ground.	Date: <u>07/31/2025</u>
Type	OTHER	
Comment:	Containment open/unsecured/wildlife hazard/available for entry by wildlife	
Corrective Action:	Comply with CECMC wildlife rules	Date: <u>07/31/2025</u>
Type	OTHER	
Comment:	Staining in multiple areas near compressor/not in compliance with CECMC rules	
Corrective Action:	Contact CECMC Environmental Protection Specialist John Heil to discuss remediation & disposal of stained material.	Date: <u>07/31/2025</u>

Overall Good:

<b>Spills:</b>			
Type	Area	Volume	

In Containment: No

Comment:

Multiple Spills and Releases?

<b>Fencing/:</b>			
Type	OTHER		
Comment:	Pig station - pipe rail fence		
Corrective Action:		Date:	

<b>Equipment:</b>			corrective date
Type: Other	# 3		
Comment:	Multiple PRV vent lines on compressor do not comply with CECMC pressure safety device rules		
Corrective Action:	Comply with CECMC pressure safety device rules	Date:	<u>07/31/2025</u>
Type: Other	# 4		
Comment:	Fire extinguishers		
Corrective Action:		Date:	
Type: Compressor	# 1		
Comment:	Unable to locate FORM 12 for compressor		
Corrective Action:		Date:	
Type: Gas Meter Run	# 2		
Comment:			
Corrective Action:		Date:	
Type: Plunger Lift	# 0		
Comment:	Wells not on plunger lift		
Corrective Action:		Date:	
Type: Horizontal Heated Separator	# 2		

Comment:			
Corrective Action:			Date:
Type: Bird Protectors	# 3		
Comment:			
Corrective Action:			Date:
Type: Bradenhead	# 2		
Comment:	Pressure transducers located on bradenheads, bradenhead valves are accessible.		
Corrective Action:			Date:
Type: Pig Station	# 1		
Comment:			
Corrective Action:			Date:
Type: Ancillary equipment	# 2		
Comment:	Chemical tanks		
Corrective Action:			Date:
Type: Dehydrator	# 1		
Comment:	Dehy, contact tower & B-TEX		
Corrective Action:			Date:
Type: Gas Meter Run	# 1		
Comment:	Summit Midstream		
Corrective Action:			Date:
Type: Ancillary equipment	# 3		
Comment:	Kold Katchers		
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
Other	Adequate			
Comment:	Seperate containment			
Corrective Action:				Date:

Contents	#	Capacity	Type	Tank ID	SE GPS
LUBE OIL	1	<50 BBLS	STEEL AST		,

Comment:					
Corrective Action:					Date:
<u>Paint</u>					
Condition	Adequate				
Other (Content)					
Other (Capacity) 500 gal					
Other (Type)					
<u>Berms</u>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate				
Comment:		Seperate containment			
Corrective Action:					Date:
Contents	#	Capacity	Type	Tank ID	SE GPS
GLYCOL	1	<50 BBLs	STEEL AST		,
Comment:					
Corrective Action:					Date:
<u>Paint</u>					
Condition	Adequate				
Other (Content)					
Other (Capacity) 500 gal					
Other (Type)					
<u>Berms</u>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal					
Comment:		Seperate containment Containment full of fluid - please refer to Stormwater for corrective action			
Corrective Action:					Date:
Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	1	100 BBLs	STEEL AST		,
Comment:		Summit Midstream Tank equipped with telemetry			
Corrective Action:					Date:
<u>Paint</u>					
Condition	Adequate				
Other (Content)					
Other (Capacity)					
Other (Type)					
<u>Berms</u>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Metal	Adequate	Walls Sufficent			

Comment: <a href="#">Seperate containment</a>			
Corrective Action:		Date:	
Contents	#	Capacity	Type
CONDENSATE	2	300 BBLs	STEEL AST
Comment: <a href="#">Tanks equipped with telemetry</a>			
Corrective Action:		Date:	
<b>Paint</b>			
Condition	Adequate		
Other (Content)			
Other (Capacity)			
Other (Type)			
<b>Berms</b>			
Type	Capacity	Permeability (Wall)	Permeability (Base)
Metal	Adequate	Walls Sufficent	
Comment: <a href="#">Centralized containment</a>			
Corrective Action:		Date:	
<b>Venting:</b>			
Yes/No	NO		
Comment:			
Corrective Action:	Date:		
<b>Flaring:</b>			
Type			
Comment:			
Corrective Action:	Date:		

**Inspected Facilities**

Facility ID: 290655 Type: WELL API Number: 077-09290 Status: SI Insp. Status: SI

**Idle Well**

Purpose:  Shut In  Temporarily Abandoned Reminder: \_\_\_\_\_

Comment: Shut In  
Last produced March 2025

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_

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

Facility ID: 292900 Type: WELL API Number: 077-09421 Status: SI Insp. Status: SI

**Idle Well**

Purpose:  Shut In  Temporarily Abandoned Reminder: \_\_\_\_\_

Comment: Shut In  
Last produced March 2025

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						Small amount of light compaction
Ditches						
		Gravel				Sparse to none in most sections
				Material Handling And Spill Prevention	Fail	Failure to maintain chemical BMP
		Compaction				
Waddles						
				Material Handling And Spill Prevention	Fail	Chemical drums lack BMP's
Sediment Traps						
		Ditches				
Gravel						Sparse to none in areas
		Culverts				
Berms	Fail					Tunnel erosion in berm/BMP needs maintenance
Rip Rap						

**Comment:** 1. Failure to maintain chemical BMP - Chemical tank containment full of fluid/BMP insufficient to contain possible spill - At approximately 11:50 hours observed chemical tank containment full of fluid. At approximately 11:56 hours I called Justin Johnson with QB Energy & left him a voicemail on the observed compliance issue. At approximately 12:14 hours I called QB Energy gas control & spoke with Wayne McDowell. I informed him about the condition of the chemical tank containment & that I was issuing a 24 hour corrective action on the observed compliance issue.

2. Chemical drums lack BMP's

3. Tunnel erosion in berm/BMP needs maintenance

**Corrective Action:** Comply with CECMC Stormwater rules

**Date:** 07/25/2025

**Pits:**  NO SURFACE INDICATION OF PIT

**ECMC Comments**

Comment	User	Date
Please refer to Signs/Marker, Housekeeping, Equipment & Stormwater for corrective actions.	smelserw	07/24/2025

**Attached Documents**

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

Document Num	Description	URL
404293629	INSPECTION SUBMITTED	<a href="https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7160432">https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7160432</a>
708906954	Inspection/Audit 708906953 Stormwater photo log	<a href="https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7160426">https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7160426</a>

708906955	Inspection/Audit 708906953 photo log	<a href="https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7160427">https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7160427</a>
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