

**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:

08/05/2025

Submitted Date:

08/07/2025

Document Number:

718100714

FIELD INSPECTION FORM

Loc ID: 335842 Inspector Name: Trujillo, Aaron 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:

- 18 Number of Comments
- 9 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
Gaasche, Emily		emily.gaasche@state.co.us	
,		ecmc.inspections@qb-energy.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
335842	LOCATION	AC			-	Latham CD-32 596	RI

General Comment:

On 08/5/2025, Western Reclamation Work Lead Trujillo and Northwest Reclamation Specialist Gaasche conducted an interim reclamation and stormwater inspection at QB Energy Operating LLC's Latham CD-32 596 location in Garfield County, Colorado.

Location is within the following High Priority Habitats: Elk Production Area

Location is in close proximity to to the following High Priority Habitats: Aquatic Sportfish Management Waters; Greater Sage Grouse Priority Habitat Management Areas

The following compliance issues were observed during this inspection:

- 603.h Fence in disrepair
- 603.j / 1003.a Anchor Marking Requirements
- 603.i Loadline Requirements
- 603.o Secondary Containment
- 605.g Signage requirements
- 606 Good Housekeeping
- 902.b Wildlife Protections
- 912 Spills

Refer to the "Location", "Reclamation" and "Stormwater" sections of this report for additional details.

Refer to the photo-documentation attached to this report.

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

Location

Overall Good:

Signs/Marker:

Type	CONTAINERS		
Comment:			
Corrective Action:		Date:	
Type	BATTERY		
Comment:			
Corrective Action:		Date:	
Type	WELLHEAD		
Comment:			
Corrective Action:		Date:	
Type	TANK LABELS/PLACARDS		
Comment:			
Corrective Action:		Date:	

Emergency Contact Number:

Comment: It as observed in this inspection that signage throughout (Wells, Tanks, Battery) the Location have not been posted/updated with the correct Operator information. Location was transferred from Caerus Piceance LLC to QB Energy Operating LLC. Subsequent Form 9 #403887405 was approved by the Director on 4/24/2025; pursuant to Rule 605.g signage on Location required updating by 6/23/2025.

Corrective Action: **Comply with Rule 605.g: 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.**

Date: 09/07/2025

Good Housekeeping:

Type	UNUSED EQUIPMENT		
Comment:	Unused hose equipment observed stored on the north side of the tank battery.		
Corrective Action:	Comply with Rule 606.	Date:	<u>08/14/2025</u>
Type	TRASH		
Comment:	Various trash and debris observed throughout the Location; including the intern areas (broken fencing materials). Solar Panel at wells appears to be in disrepair. Unclear if equipment is still in use however various parts associated with the equipment is spread around near the wells.		
Corrective Action:	Comply with Rule 606.	Date:	<u>08/14/2025</u>

Overall Good:

Spills:

Type	Area	Volume		
Comment:	Fluids observed spilled within the honeypot, at the loadline of the southwestern-most condensate tank.			
Corrective Action:	Comply with Rule 912.a. Remove and properly dispose fluids spilled within containment.		Date:	<u>08/14/2025</u>

In Containment: Yes

Comment:

Multiple Spills and Releases?

Fencing/:			
Type	WELLHEAD		
Comment:	Hog panels		
Corrective Action:		Date:	
Type	OTHER		
Comment:	It was observed in this inspection that the fencing installed around the Location / Interim areas is in disrepair. Fencing equipment (t-posts, wire) either unused or broken also observed scattered within areas of the interim.		
Corrective Action:	Maintain Fence on Location.	Date:	08/22/2025

Equipment:			corrective date
Type:	#		
Comment:	Lines at tanks on Location observed missing cap or plug.		
Corrective Action:	Comply with Rule 603.i	Date:	08/14/2025
Type:	#		
Comment:	Open ended pipe observed at the 95 bbl condensate tank; BMPs missing or insufficient to prevent access by Wildlife, including birds and bats.		
Corrective Action:	Comply with Rule 902.b	Date:	08/14/2025

Tanks and Berms:

Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	1	<100 BBLs	PBV STEEL		,
Comment:					
Corrective Action:					Date:

Paint

Condition	
Other (Content)	
Other (Capacity)	95
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal				
Comment:	Containment berm partially damaged along the southwest end of the battery. Unclear at time of inspection if BMP remains in proper functioning condition. Maintenance advised.			
Corrective Action:				Date:

Contents	#	Capacity	Type	Tank ID	SE GPS
CONDENSATE	4	300 BBLs	STEEL AST		,
Comment:					
Corrective Action:					Date:

Paint

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

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal		Walls Insufficient		Inadequate
Comment:	Sections of the metal berm have separated and tears were observed within the Liner of the secondary containment BMP. Berm is no longer sufficiently impervious.			
Corrective Action:	Comply with Rule 603.o. Maintain BMP to ensure secondary containment is sufficiently impervious to contain a spill or release.			Date: 08/22/2025

Venting:

Yes/No			
Comment:			
Corrective Action:			Date:

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities

Facility ID: 335842 Type: LOCATION API Number: - Status: AC Insp. Status: RI

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

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? Fail

Comment Anchors observed on the Location missing required marking.

Corrective Action Comply with Rule 603.j and 1003.a

Date 09/07/2025

1003b. Area no longer in use? _____ Production areas stabilized ? _____
 1003c. Compacted areas have been cross ripped? _____
 1003d. Drilling pit closed? _____ Subsidence over on drill pit? _____
 Cuttings management: _____
 1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? In
 Production areas have been stabilized? In Segregated soils have been replaced? _____

RESTORATION AND REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured Pass 80% Revegetation In

1003e. INTERIM VEGETATION TRANSECT
 TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____
 TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

1003 f. Weeds Noxious weeds? I

Comment
 No immediate reclamation concerns observed at time of inspection. Areas not reasonably necessary for production have been reduced and reclaimed. Topsoil appears to have been replaced, however there are areas where topsoil does not appear to have been uniformly spread and is sparse. Vegetation does appear to be progressing towards 1003.e uniform standards.

 Noxious weeds were observed; Operator appears to be performing ongoing weed management/monitoring as plant senescence (likely due to herbicide application) is evident.

 Continue to monitor/manage interim areas. Conduct work as necessary to ensure site meets 1003.e standards.

 Continue to monitor/manage weeds on Location.

Corrective Action _____ Date _____

Overall Interim Reclamation

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: RANGELAND

Reminder: _____

Comment: _____

Well plugged _____ Pit mouse/rat holes, cellars backfilled _____
 Debris removed _____ No disturbance /Location never built _____
 Access Roads Regraded _____ Contoured _____ Culverts removed _____
 Gravel removed _____
 Location and associated production facilities reclaimed _____ Locations, facilities, roads, recontoured _____
 Compaction alleviation _____ Dust and erosion control _____
 Non cropland: Revegetated 80% _____ Cropland: perennial forage _____
 Weeds present _____ Subsidence _____

1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% _____
 TRANSECT RESULTS OF REFERENCE AREA% _____
 TOTAL % OF DESIRABLE VEGETATION COVER _____
 VEGETATIVE COVER _____

Comment:

Corrective Action:

Date _____

Overall Final Reclamation

Well Release on Active Location

Multi-Well Location

Storm Water:

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment
Gravel						WPS
Sediment Traps						Location Entrance
Compaction						WPS
Sediment Traps						North end of the WPS

Comment: No immediate stormwater concerns observed at time of inspection. Gravel throughout working pad surface is sparse; unclear if BMPs to stabilize the working pad surface are sufficient to minimize erosion, degradation and sediment transport during wet conditions.
Erosion degradation at outlet on the north end of the working pad surface is becoming apparent; an engineered outlet has not been implemented at control.
Maintenance advised.

Corrective Action:

Date: _____

Pits: NO SURFACE INDICATION OF PIT

Attached Documents

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

Document Num	Description	URL
718100715	Inspection Photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7179146