

**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:

05/12/2025

Submitted Date:

05/15/2025

Document Number:

708906488

FIELD INSPECTION FORMLoc ID 334856 Inspector Name: Smelser, Wayne On-Site Inspection ☐ 2A Doc Num: _____**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

Status Summary:☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**

26 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 |
|-------------------|-------|--------------------------------|---------|
| Kellerby, Shaun | | shaun.kellerby@state.co.us | |
| Haverkamp, Curtis | | curtis.haverkamp@state.co.us | |
| Katz, Aaron | | aaron.katz@state.co.us | |
| QB Energy | | ecmc.inspections@qb-energy.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|-----------------------|-------------|
| 211296 | WELL | PR | 05/01/2023 | GW | 045-07055 | COUEY 32-14 | PA |
| 269303 | WELL | PR | 02/25/2004 | GW | 045-09345 | YEAKEK 32-15C (N32) | PR |
| 269304 | WELL | PR | 02/19/2004 | GW | 045-09344 | YEAKEK 32-14D (N32) | PR |
| 269306 | WELL | SI | 05/01/2024 | GW | 045-09343 | SHIDELER 32-11C (N32) | SI |

General Comment:

CECMC Inspection/Audit Report Summary

On 05/12/2025 at approximately 13:40 hours, I, Compliance Specialist, Wayne Smelser

Conducted an on-site inspection/audit at QB ENERGY OPERATING LLC COUEY 32-14 (N32) Pad

Location # 334856 in Garfield County Colorado.

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

Location is approximately 319 yards from Mamm Creek.

While there, I observed normal production operations.

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

1. Signs/Marker - Emergency contact # on wellhead signs & lease road signs incorrect/# is disconnected & not in service with a CA date of 06/14/2025
2. Equipment - Flowline heating insulation open ended/wildlife hazard with a CA date of 05/22/2025
3. Inspected Facilities - YEAKEl 32-15C (N32) well lacks wellbore diagram/not in compliance with CECMC rules with a CA date of 06/14/2025
4. Inspected Facilities - YEAKEl 32-14D (N32) well lacks wellbore diagram/not in compliance with CECMC rules with a CA date of 06/14/2025

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: <input type="checkbox"/> | | | |
| Signs/Marker: | | | |
| Type | OTHER | | |
| Comment: | Signs at intersection of Mamm Creek Road & start of lease road Emergency contact # on signs incorrect/# is disconnected & not in service/not in compliance with CECMC rules. | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Emergency contact # on wellhead signs incorrect/# is disconnected & not in service/not in compliance with CECMC rules. Additionally emergency contact # on signs at intersection of Mamm Creek Road & start of lease road are incorrect/# is disconnected & not in service/not in compliance with CECMC rules | | |
| Corrective Action: | Comply with CECMC 600 series rules | Date: | 06/14/2025 |
| 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: | |
| 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: | |
| Good Housekeeping: | | | |
| Type | WEEDS | | |
| Comment: | Small amount of weeds in secondary containment - please refer to photo log If weeds continue unchecked corrective action will be issued in next inspection | | |
| Corrective Action: | | Date: | |
| Overall Good: <input type="checkbox"/> | | | |

| | | | | |
|--------------------------------------------------------|---------------------------------------------------------------------------------------------------------|--------|--|------------------|
| Spills: | | | | |
| Type | Area | Volume | | |
| In Containment: No | | | | |
| Comment: <input type="text"/> | | | | |
| <input type="checkbox"/> Multiple Spills and Releases? | | | | |
| Fencing/: | | | | |
| Type | WELLHEAD | | | |
| Comment: | Cattle panels | | | |
| Corrective Action: | | | | Date: |
| Type | SEPARATOR | | | |
| Comment: | Cattle panels | | | |
| Corrective Action: | | | | Date: |
| Equipment: | | | | corrective date |
| Type: Bradenhead | # 3 | | | |
| Comment: | Pressure transducers located on bradenheads, bradenhead valves are accessible | | | |
| Corrective Action: | | | | Date: |
| Type: Ancillary equipment | # 1 | | | |
| Comment: | Liquid nitrogen tank Unable to locate FORM 4 SUNDRY for equipment/not in compliance with CECMC rules | | | |
| 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: 05/22/2025 |
| Type: Plunger Lift | # 3 | | | |
| Comment: | All wells on plunger lift | | | |
| Corrective Action: | | | | Date: |
| Type: Bird Protectors | # 1 | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Type: Gas Meter Run | # 1 | | | |
| Comment: | Summit Midstream | | | |
| Corrective Action: | | | | Date: |
| Type: Vertical Heated Separator | # 4 | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Type: Pig Station | # 1 | | | |
| Comment: | | | | |
| Corrective Action: | | | | Date: |
| Type: Gas Meter Run | # 4 | | | |
| Comment: | | | | |

| | | | |
|--------------------|--|-------|--|
| Corrective Action: | | Date: | |
|--------------------|--|-------|--|

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS | |
|------------|---|----------|-----------|---------|--------|--|
| CONDENSATE | 1 | 400 BBLs | STEEL AST | | , | |

Comment: Tank equipped with telemetry

| | | | |
|--------------------|--|-------|--|
| Corrective Action: | | Date: | |
|--------------------|--|-------|--|

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
|-------|----------|---------------------|---------------------|-------------|--|
| Metal | Adequate | | | | |

Comment: Unlined containment

| | | | |
|--------------------|--|-------|--|
| Corrective Action: | | Date: | |
|--------------------|--|-------|--|

Venting:

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

Flaring:

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

Inspected FacilitiesFacility ID: 211296 Type: WELL API Number: 045-07055 Status: PR Insp. Status: PA**Idle Well**Purpose: ☐ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: P & APlease refer to FORM 6 document #'s 403343651 & 403529183FORM 42 document # 403396943FORM 27 document #'s 403378358 & 403443408

Corrective Action: _____

Date: _____

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

Facility ID: 269303 Type: WELL API Number: 045-09345 Status: PR Insp. Status: PR**Producing Well**Comment: Producing, well on plunger liftWell lacks wellbore diagram/not in compliance with CECMC rulesCorrective Action: Comply with rule 420Date: 06/14/2025

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

Facility ID: 269304 Type: WELL API Number: 045-09344 Status: PR Insp. Status: PR**Producing Well**Comment: Producing, well on plunger liftWell lacks wellbore diagram/not in compliance with CECMC rulesCorrective Action: Comply with rule 420Date: 06/14/2025

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

Facility ID: 269306 Type: WELL API Number: 045-09343 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: Shut InLast produced April 2024

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 |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------------------------------------------------|
| Berms | | | | | | |
| | | Waddles | | | | |
| | | Ditches | | | | |
| Compaction | | | | | | Small amount of light compaction |
| | | Check Dams | | | | |
| | | Culverts | | | | |
| | | Gravel | | | | Sparse to none in most sections |
| Ditches | | | | | | |
| | | Rip Rap | | | | |
| Gravel | | | | | | Sparse to none in areas |
| | | Tracking Pad | | | | Aggregate/gravel based VTC at start of lease road |
| | | Compaction | | | | Small amount of light compaction |

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

| Comment | User | Date |
|----------------------------------------------------------------------------------------------------------------------------------|----------|------------|
| Please refer to Signs/Marker, Equipment & Inspected Facilities for corrective actions & also refer to Housekeeping for comments. | smelserw | 05/14/2025 |

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

| Document Num | Description | URL |
|--------------|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 708906491 | Inspection/Audit 708906488 Stormwater photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7051120 |
| 708906492 | Inspection/Audit 708906488 photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7051121 |
| 708906493 | Inspection/Audit 708906488 emergency phone # video | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7051122 |