

**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:

06/09/2025

Document Number:

708906695

FIELD INSPECTION FORM
 Loc ID 335687 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:

36 Number of Comments

8 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 | |
| Longworth, Mike | | mike.longworth@state.co.us | |
| Haverkamp, Curtis | | curtis.haverkamp@state.co.us | |
| Popejoy, Dusty | | dusty.popejoy@state.co.us | |
| Katz, Aaron | | aaron.katz@state.co.us | |
| Heil, John | | john.heil@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 |
|-------------|------|--------|-------------|------------|-----------|----------------------|-------------|
| 260568 | WELL | PR | 03/01/2019 | GW | 045-07868 | UNOCAL 24-9DRD | PR |
| 260569 | WELL | TA | 09/01/2021 | GW | 045-07856 | UNOCAL 14-9D | TA |
| 287571 | WELL | PR | 03/01/2019 | GW | 045-13000 | UNOCAL-ENCANA 13D-9D | PR |
| 287867 | WELL | PR | 06/01/2023 | GW | 045-13080 | UNOCAL-ENCANA 14D-9D | PR |
| 287882 | WELL | PR | 07/01/2024 | GW | 045-13083 | UNOCAL-ENCANA 14B-9D | PR |
| 287883 | WELL | SI | 02/01/2025 | GW | 045-13082 | UNOCAL-ENCANA 14A-9D | SI |
| 287884 | WELL | PR | 09/01/2019 | GW | 045-13081 | UNOCAL-ENCANA 24D-9D | PR |

General Comment:

CECMC Inspection/Audit Report Summary

On 06/06/2025 at approximately 11:22 hours, I, Compliance Specialist, Wayne Smelser
Conducted a follow up inspection/audit at QB ENERGY OPERATING LLC UNOCAL 2 696 Pad.

Location # 335687 in Garfield County Colorado.

Please refer to inspection 713400774 conducted on 03/04/2025, 3 of 5 previous corrective actions have been completed.

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

Location is approximately 94 yards from Granlee Ditch & approximately 309 yards from Parachute Creek.

While there, I observed normal production operations.

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

1. Housekeeping - Weeds/undesirable plant species in secondary containment with a CA date of 06/16/2025
2. Equipment - Mechanical Condition - Possible leaks on Unocal 14A-9D, 13D-9D, 14-9D & 24-9DRD wellheads with a CA date of 03/5/2025
3. Equipment - Mechanical Condition - Possible leak on UNOCAL-ENCANA 14D-9D wellhead with a CA date of 06/11/2025
4. Equipment - Unused flowlines do not comply with CECMC 600 & 1100 series rules with a CA date of 06/16/2025
5. Tanks & Berms - Tank failure - Tank damaged & multiple holes in tank/tank lacks integrity with a CA date of 07/09/2025
6. Tanks & Berms - Comply with CECMC Rule 608 f. (3) for partially buried tanks with a CA date of 06/16/2025
7. Inspected Facilities - Multiple wells lack wellbore diagrams/not in compliance with CECMC rules with a CA date of 07/09/2025
8. Stormwater - Lack of stabilization/compaction on location & lease road/insufficient tracking BMP's with a CA date of 03/05/2025

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.

Any corrective actions from previous inspections/audits that have not been addressed are still applicable.

Location**Lease Road:**

| | | | |
|-------------------|--------|-------|--|
| Type | Access | | |
| comment: | | | |
| Corrective Action | L | Date: | |

Overall Good: ☐**Signs/Marker:**

| | | | |
|--------------------|--|-------|--|
| Type | TANK LABELS/PLACARDS | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| 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 | WEEDS | | |
| Comment: | Weeds/undesirable plant species in secondary containment | | |
| Corrective Action: | Oil and Gas Locations will be kept free of all Undesirable Plant Species | Date: | 06/16/2025 |

Overall Good: ☐**Spills:**

| | | | | |
|------|------|--------|--|--|
| Type | Area | Volume | | |
|------|------|--------|--|--|

In Containment: No

Comment: ☐ Multiple Spills and Releases?**Fencing/:**

| | | | |
|--------------------|-------------------------------|-------|--|
| Type | TANK BATTERY | | |
| Comment: | Barbed wire fence | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Pig station - pipe rail fence | | |

| | | | |
|-----------------------------------|--|-------|-----------------|
| Corrective Action: | | Date: | |
| Type | SEPARATOR | | |
| Comment: | Barbed wire fence | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | 5 wellheads - pipe rail fence UNOCAL-ENCANA 13D-9D & UNOCAL-ENCANA 14A-9D - pipe rail fence & orange construction barrier fencing | | |
| Corrective Action: | | Date: | |
| Type | OTHER | | |
| Comment: | Liquid nitrogen tank - pipe rail fence | | |
| Corrective Action: | | Date: | |
| Equipment: | | | corrective date |
| Type: Other | # 5 | | |
| Comment: | Multiple unused flowlines do not comply with CECMC 600 & 1100 series rules | | |
| Corrective Action: | Comply with CECMC 600 & 1100 series rules | Date: | 06/16/2025 |
| Type: Gas Meter Run | # 7 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Plunger Lift | # 7 | | |
| Comment: | All wells on plunger lift | | |
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 7 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Pig Station | # 2 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Other | # 4 | | |
| Comment: | Mechanical Condition - Possible leaks on Unocal 14A-9D, 13D-9D, 14-9D & 24-9DRD wellheads | | |
| Corrective Action: | All Production Facilities, valves, pipes, fittings, and vessels will be securely fastened or sealed, inspected at regular intervals, and maintained in good mechanical condition. Additionally contact CECMC Engineering Group to discuss observed compliance issues. | Date: | 03/05/2025 |
| Type: Other | # 1 | | |
| Comment: | Mechanical Condition - Possible leak on UNOCAL-ENCANA 14D-9D well | | |
| Corrective Action: | Comply with CECMC 400, 600 & 900 series rules Additionally contact CECMC Engineering Group to discuss observed compliance issue | Date: | 06/11/2025 |
| Type: Bradenhead | # 7 | | |
| Comment: | No form of pressure monitoring equipment located on bradenheads, bradenhead valves are accessible | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------------|---|--|-------|
| Type: Bird Protectors | # 5 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Ancillary equipment | # 1 | | |
| Comment: | Liquid nitrogen tank Unable to locate FORM 4 SUNDRY for Equipment/hot in compliance with CECMC rules | | |
| Corrective Action: | | | Date: |

Tanks and Berms:

| | | | | | | |
|--------------------|---|----------|-----------|---------|--------|------------------|
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| PRODUCED WATER | 1 | 200 BBLS | STEEL AST | | , | |
| Comment: | Partially buried tank | | | | | |
| Corrective Action: | Comply with CECMC Rule 608 f. (3) for partially buried tanks & pursuant to this rule provide the last 5 years testing records for both partially buried tanks on this location. | | | | | Date: 06/16/2025 |

Paint

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

Berms

| | | | | | | |
|--------------------|---|---------------------|---------------------|-------------|--------|------------------|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | |
| Metal | | | | | | |
| Comment: | Weeds in secondary containment - please refer to Housekeeping for CA Separate containment | | | | | |
| Corrective Action: | | | | | Date: | |
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| CONDENSATE | 1 | 300 BBLS | STEEL AST | | , | |
| Comment: | Tank failure - Tank damaged & multiple holes in tank/tank lacks integrity Additionally large hole in tank also constitutes a wildlife hazard | | | | | |
| Corrective Action: | Comply with CECMC 600 series rules | | | | | Date: 07/09/2025 |

Paint

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

Berms

| | | | | | | |
|--------------------|----------------------|---------------------|---------------------|-------------|--------|--|
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | |
| Metal | | | | | | |
| Comment: | Separate containment | | | | | |
| Corrective Action: | | | | | Date: | |
| Contents | # | Capacity | Type | Tank ID | SE GPS | |

| | | | | | | |
|--------------------|----------|--|---------------------|-------------|--|-------|
| PRODUCED WATER | 1 | 100 BBLs | STEEL AST | | | |
| Comment: | | Partially buried tank Comply with CECMC Rule 608 f. (3) for partially buried tanks & pursuant to this rule provide the last 5 years testing records for both partially buried tanks on this location. | | | | |
| Corrective Action: | | | | | | Date: |
| Paint | | | | | | |
| Condition | Adequate | | | | | |
| Other (Content) | | | | | | |
| Other (Capacity) | | | | | | |
| Other (Type) | | | | | | |
| Berms | | | | | | |
| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | | |
| Earth | | | | | | |
| Comment: | | Separate containment | | | | |
| Corrective Action: | | | | | | Date: |
| Venting: | | | | | | |
| Yes/No | NO | | | | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |
| Flaring: | | | | | | |
| Type | | | | | | |
| Comment: | | | | | | |
| Corrective Action: | | | | | | Date: |

Inspected Facilities

Facility ID: 260568 Type: WELL API Number: 045-07868 Status: PR Insp. Status: PR

Producing Well

Comment: Producing, well on plunger lift

Well lacks wellbore diagram/not in compliance with CECMC Rule 420

Additionally the UNOCAL 14-9D, UNOCAL-ENCANA 13D-9D, UNOCAL-ENCANA 14D-9D, UNOCAL-ENCANA 14B-9D, UNOCAL-ENCANA 14A-9D & UNOCAL-ENCANA 24D-9D 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: 07/09/2025

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

Facility ID: 260569 Type: WELL API Number: 045-07856 Status: TA Insp. Status: TA

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: OUT OF SERVICE DESIGNATION - FORM 6A document # 403213733

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: 287571 Type: WELL API Number: 045-13000 Status: PR Insp. Status: PR

Producing Well

Comment: Producing, well on plunger 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: 287867 Type: WELL API Number: 045-13080 Status: PR Insp. Status: PR

Producing Well

Comment: Producing, well on plunger 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: 287882 Type: WELL API Number: 045-13083 Status: PR Insp. Status: PR

Producing Well

Comment: Producing, well on plunger 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: 287883 Type: WELL API Number: 045-13082 Status: SI Insp. Status: SI

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 | Fail | | | | | Insufficient gravel |
| | | Berms | | | | |
| | | Culverts | | | | |
| | | Compaction | Fail | | | Lack of stabilization/Insufficient tracking BMPs |
| | | Ditches | | | | |
| Ditches | | | | | | |
| | | Gravel | Fail | | | Insufficient gravel |
| Check Dams | | | | | | |
| Compaction | Fail | | | | | Lack of stabilization/Insufficient tracking BMPs |
| Berms | | | | | | |
| | | Tracking Pad | Fail | | | BMP insufficient |
| Rip Rap | | | | | | Rip Rap Run underlain with geotextile |

Comment:

1. Lack of stabilization/compaction on location - BMP's have not been added to stabilize the working surface of the pad
2. Lack of stabilization/compaction on lease road - BMP's have not been added to stabilize the lease road
- Tracking pad/BMP at the start of lease road has not been improved & remains insufficient

Corrective Action:

Comply with CECMC Stormwater rules

Date: 03/05/2025

Pits: ☒ NO SURFACE INDICATION OF PIT**ECMC Comments**

| Comment | User | Date |
|---|----------|------------|
| Please refer to Housekeeping, Equipment, Tanks & Berms, Inspected Facilities & Stormwater for corrective actions. | smelserw | 06/09/2025 |

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

| Document Num | Description | URL |
|--------------|--|---|
| 404234527 | INSPECTION SUBMITTED | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7088580 |
| 708906696 | Inspection/Audit 708906695 UNOCAL-ENCANA 14D-9D leak | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7088575 |
| 708906698 | Inspection/Audit 708906695 UNOCAL-ENCANA 14A-9D leak | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7088576 |
| 708906699 | Inspection/Audit 708906695 Stormwater photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7088577 |

| | | |
|-----------|---|---|
| 708906700 | Inspection/Audit 708906695 UNOCAL 24- 9DRD leak | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7088578 |
| 708906701 | Inspection/Audit 708906695 photo log | https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=7088579 |

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