

**FORM
INSP**Rev
05/11**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:

01/27/2016

Document Number:

671106220

Overall Inspection:

SATISFACTORY**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	440965	440966	MONTOYA, JOHN	<input type="checkbox"/>	

Operator Information:OGCC Operator Number: 10485Name of Operator: VERDAD OIL & GAS CORPORATIONAddress: 5950 CEDAR SPRINGS RD #200City: DALLAS State: TX Zip: 75235

- ☐ THIS IS A FOLLOW UP INSPECTION
- ☐ FOLLOW UP INSPECTION REQUIRED
- ☒ NO FOLLOW UP INSPECTION REQUIRED
- ☐ INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Burn, Diana		diana.burn@state.co.us	
BEECHERL, ARTHUR	214-728-1840	abeecherl@beecherl.con	all inspections

Compliance Summary:QtrQtr: NENW Sec: 34 Twp: 3N Range: 63W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
440965	WELL	DG	03/11/2015	LO	123-41204	Cervi 03N-63W-34-1N	SI	<input checked="" type="checkbox"/>

Equipment:**Location Inventory**

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>1</u>	Separators: <u>1</u>	Electric Motors: _____
Gas or Diesel Motors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: <u>1</u>	VOC Combustor: <u>1</u>	Oil Tanks: <u>3</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location**Lease Road:**

Type	Satisfactory/Action Required	comment	Corrective Action	Date

Signs/Marker:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY			

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Emergency Contact Number (S/AR): SATISFACTORY

Corrective Date: _____

Comment: _____

Corrective Action: _____

Good Housekeeping:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Spills:

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?

Fencing:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Equipment:

Type:	#	Satisfactory/Action Required:
Comment		
Corrective Action		Date: _____

Venting:

Yes/No	
Comment	

Flaring:

Type	Satisfactory/Action Required
Comment:	
Corrective Action:	Correct Action Date: _____

Predrill

Location ID: 440965

Site Preparation:

Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AR: _____

Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:

Group	User	Comment	Date
OGLA	HouseyM	Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42.	02/26/2015
OGLA	HouseyM	Unnecessary or excessive flaring is prohibited. Operator shall direct all salable quantity gas to a sales line as soon as practicable or shut in and conserved.	02/26/2015

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Final Reclamation	Well site cleared. Within 90-day subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site.
Traffic control	Access roads. The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times.
Noise mitigation	Lighting abatement measures shall be implemented, including the installation of lighting shield devices on all of the more conspicuous lights, low density sodium lighting where practicable; and rig shrouding if necessary will be used to include perimeter sound walls on the location during drilling and completion activities to provide noise relief. Permanent equipment on location shall be muffled to reduce noise, or shall be appropriately buffered.
Final Reclamation	Identification of plugged and abandoned wells. P&A'd wells shall be identified pursuant to 319.a.(5).
Drilling/Completion Operations	Guy line anchors. All guy line anchors shall be brightly marked pursuant to Rule 604.c (2)Q.
Drilling/Completion Operations	Drill stem tests. Not applicable; no Drill Stem tests are planned.
Drilling/Completion Operations	Green Completions – Emission Control Systems. Test separators and associated flow lines and sand traps shall be installed on-site to accommodate Green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flow-back gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flow-back within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustion where non-combustible gases are present.
Dust control	Per Rule 805: Oil & Gas Facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare.
Material Handling and Spill Prevention	Leak Detection Plan. Pumper will visit the location daily and visually inspect all tanks and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR §112.
Drilling/Completion Operations	Control of fire hazards. All materials which are considered fire hazards shall be a minimum of 25' from the wellhead tanks or separators. Electrical equipment shall comply with API RP 500 and will comply with the current national electrical code. An emergency response plan has been generated for this site.
General Housekeeping	Fencing requirements. A permanent fencing plan will be reviewed by the surface owner, & the applicant.
Drilling/Completion Operations	Closed Loop Drilling Systems – Pit Restrictions. Not applicable; a closed-loop system will be used for drilling.
Drilling/Completion Operations	Blowout preventer equipment (“BOPE”). A double ram and annular preventer will be used during drilling. At least the drilling company shall have a valid well blowout prevention certifications.
Material Handling and Spill Prevention	Tank specifications. Tanks will be designed, constructed and maintained in accordance with NFPA Code 30. The tanks are visually inspected once a day for issues, and recorded inspections are conducted once a month.
Traffic control	Traffic Plan: If required by the local government, a traffic plan will be coordinated with the local jurisdiction prior to commencement of operations
Material Handling and Spill Prevention	Load-lines. All load-lines shall be bull-plugged or capped.
Planning	The subject pad is located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas.

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Drilling/Completion Operations	BOPE for well servicing operations. Adequate BOP equipment shall be used. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.
General Housekeeping	Per Rule 604c.(2).I. BOPE Testing for Drilling Operations: Upon initial rig-up, BOPE's will be tested at a minimum of every 30-days.
General Housekeeping	Removal of surface trash. All trash, debris and material not intrinsic to the operation of the oil and gas facility shall be removed and legally disposed of as is applicable.
Material Handling and Spill Prevention	Berm construction. Tank berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition.
Drilling/Completion Operations	Pit level indicators. Not applicable; a closed-loop system will be used and no pits shall be dug.

S/AR: _____ **Comment:** _____

CA: _____ **Date:** _____

Comment: _____

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____

Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____

Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 440965 Type: WELL API Number: 123-41204 Status: DG Insp. Status: SI

Idle Well

Purpose: ☒ Shut In ☐ Temporarily Abandoned Reminder: _____

S/A/V: _____ CA Date: _____

CA: _____

Comment: _____

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____		Date: _____	
Reportable: _____	GPS: Lat _____	Long _____	
Proximity to Surface Water: _____		Depth to Ground Water: _____	

<u>Water Well:</u>		Lat _____	Long _____
DWR Receipt Num: _____	Owner Name: _____	GPS : _____	_____

<u>Field Parameters:</u>
Sample Location: _____

Emission Control Burner (ECB): _____
Comment: _____
Pilot: _____ Wildlife Protection Devices (fired vessels): _____

<u>Reclamation - Storm Water - Pit</u>

<u>Interim Reclamation:</u>	
Date Interim Reclamation Started: _____	Date Interim Reclamation Completed: _____
Land Use: RANGELAND	
Comment: _____	
1003a. Waste and Debris removed? <u>Pass</u>	
CM _____	CA _____ CA Date _____
Unused or unneeded equipment onsite? <u>Pass</u>	
CM _____	CA _____ CA Date _____
Pit, cellars, rat holes and other bores closed? <u>Pass</u>	
CM _____	CA _____ CA Date _____
Guy line anchors marked? _____	
CM _____	CA _____ CA Date _____
1003b. Area no longer in use? _____ Production areas stabilized ? <u>Pass</u>	
1003c. Compacted areas have been cross ripped? _____	
1003d. Drilling pit closed? <u>Pass</u> Subsidence over on drill pit? <u>Pass</u>	
Cuttings management: _____	
1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? _____	
Production areas have been stabilized? _____	Segregated soils have been replaced? _____
RESTORATION AND REVEGETATION	
<u>Cropland</u>	
Top soil replaced _____	Recontoured _____ Perennial forage re-established _____
<u>Non-Cropland</u>	

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Top soil replaced _____

Recontoured _____

80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

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 _____

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	Pass	Gravel	Pass			

S/A/V: SATISFACTOR
Y

Corrective Date: _____

Comment: _____

CA: _____

Pits: ☒ NO SURFACE INDICATION OF PIT

COGCC Comments

Comment	User	Date
LOCATION OK NO SIGN OF FLARE, FLARE WAS PERMITTED IN NOV OF 2015	montoyaj	01/27/2016

Attached Documents

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

Document Num	Description	URL
671106221	LOCATION SIGN	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3769266
671106222	LOCATION SITE NO FLARE	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3769267