

**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:  
05/25/2016  
Document Number:  
682400780  
Overall Inspection:  
SATISFACTORY

**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	439155	439158	Binschus, Chris	<input type="checkbox"/>	

**Operator Information:**

OGCC Operator Number: 10485  
Name of Operator: VERDAD OIL & GAS CORPORATION  
Address: 5950 CEDAR SPRINGS RD #200  
City: 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
BEECHERL, ARTHUR	214-728-1840	abeecherl@beecherl.com	all inspections

**Compliance Summary:**

QtrQtr: SESW Sec: 30 Twp: 1N Range: 65W

**Inspector Comment:**

*This is a construction inspection.*

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
439153	WELL	XX	10/03/2014	LO	123-40329	Johnson 01N-65W-30-3N	CI	<input checked="" type="checkbox"/>
439154	WELL	XX	10/03/2014	LO	123-40330	Johnson 01N-65W-30-2N	CI	<input checked="" type="checkbox"/>
439155	WELL	XX	10/03/2014	LO	123-40331	Johnson 01N-65W-30-8N	CI	<input checked="" type="checkbox"/>
439156	WELL	XX	10/03/2014	LO	123-40332	Johnson 01N-65W-30-5C	CI	<input checked="" type="checkbox"/>
439157	WELL	XX	10/03/2014	LO	123-40333	Johnson 01N-65W-30-1C	CI	<input checked="" type="checkbox"/>
439159	WELL	XX	10/03/2014	LO	123-40334	Johnson 01N-65W-30-7N	CI	<input checked="" type="checkbox"/>
439160	WELL	XX	10/03/2014	LO	123-40335	Johnson 01N-65W-30-9C	CI	<input checked="" type="checkbox"/>
439162	WELL	XX	10/03/2014	LO	123-40336	Johnson 01N-65W-30-6N	CI	<input checked="" type="checkbox"/>
439164	WELL	XX	10/03/2014	LO	123-40337	Johnson 01N-65W-30-4N	CI	<input checked="" type="checkbox"/>

**Equipment:**

Location Inventory

Inspector Name: Binschus, Chris

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>9</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>2</u>	Separators: <u>4</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: <u>1</u>	VOC Combustor: <u>2</u>	Oil Tanks: <u>6</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

Emergency Contact Number (S/AR): \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

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

**Good Housekeeping:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Spills:**

Type	Area	Volume	Corrective action	CA Date

Multiple Spills and Releases?

**Fencing/:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Equipment:**

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

**Venting:**

Yes/No	Comment

**Flaring:**

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

**Predrill**

Location ID: 439155

Lease Road Adeq.: \_\_\_\_\_

Pads: \_\_\_\_\_

Soil Stockpile: \_\_\_\_\_

**S/AR:** \_\_\_\_\_

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

Date: \_\_\_\_\_

CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

Group	User	Comment	Date
OGLA	youngr	Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42.	08/26/2014
OGLA	youngr	The tank battery shall be constructed using a liner.	10/02/2014

**S/AR:** \_\_\_\_\_ **Comment:**

**CA:**

**Date:** \_\_\_\_\_

**Wildlife BMPs:**

BMP Type	Comment
Noise mitigation	Lighting abatement measures shall be implemented, including the installation lighting shield devices on all of the more conspicuous lights, low density sodium lighting where practicable; and rig shrouding is not believed necessary as this is an industrial area and the only building unit within 1,000' is owned by the operator, however, at its election the operator may install temporary engineering controls consisting of perimeter sound walls shall be used 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.
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.
Drilling/Completion Operations	Guy line anchors. All guy line anchors shall be brightly marked pursuant to Rule 604.c (2)Q.
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.
Material Handling and Spill Prevention	Load-lines. All load-lines shall be bull-plugged or capped.
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.
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.
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.
Drilling/Completion Operations	Pit level indicators. Not applicable; a closed-loop system will be used and no pits shall be dug.
General Housekeeping	Fencing requirements. A permanent fencing plan will be reviewed by the surface owner, & the applicant.
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.

Inspector Name: Binschus, Chris

Drilling/Completion Operations	Closed Loop Drilling Systems – Pit Restrictions. Not applicable; a closed-loop system will be used for drilling.
Final Reclamation	Identification of plugged and abandoned wells. P&A'd wells shall be identified pursuant to 319.a.(5).
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.
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.
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.
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.
Drilling/Completion Operations	Drill stem tests. Not applicable; no Drill Stem tests are planned.
Planning	Multi-well Pads. It is a multi-well pad located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas.
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.

**S/AR:** \_\_\_\_\_ **Comment:** \_\_\_\_\_

**CA:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Stormwater:**

Erosion BMPs	Present	Other BMPs	Present
DITCHES	Yes		

S/AR: SATISFACTORY

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

Comments: Erosion BMPs: **BMP installed before construction. 2-sets of BMP installed around east and north of location to control run-on from adjacent cropland flood irrigation. Sediment trap being constructed at southeast location.**

Other BMPs: \_\_\_\_\_

BERMS	Yes		

S/AR: SATISFACTORY

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

Comments: Erosion BMPs: **BMP installed before construction. 2-sets of BMP installed around east and north of location to control run-on from adjacent cropland flood irrigation.**

Other BMPs: \_\_\_\_\_

**Comment:** **Need to stabilize topsoil stockpile upon completion of salvage process. Refer to attached photos in Document #682400781.**

**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: \_\_\_\_\_

Inspector Name: Binschus, Chris

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: 439153 Type: WELL API Number: 123-40329 Status: XX Insp. Status: CI

Facility ID: 439154 Type: WELL API Number: 123-40330 Status: XX Insp. Status: CI

Facility ID: 439155 Type: WELL API Number: 123-40331 Status: XX Insp. Status: CI

Facility ID: 439156 Type: WELL API Number: 123-40332 Status: XX Insp. Status: CI

Facility ID: 439157 Type: WELL API Number: 123-40333 Status: XX Insp. Status: CI

Facility ID: 439159 Type: WELL API Number: 123-40334 Status: XX Insp. Status: CI

Facility ID: 439160 Type: WELL API Number: 123-40335 Status: XX Insp. Status: CI

Facility ID: 439162 Type: WELL API Number: 123-40336 Status: XX Insp. Status: CI

Facility ID: 439164 Type: WELL API Number: 123-40337 Status: XX Insp. Status: CI

**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: \_\_\_\_\_

**Water Well:**

DWR Receipt Num: \_\_\_\_\_ Owner Name: \_\_\_\_\_ GPS: \_\_\_\_\_ Lat \_\_\_\_\_ Long \_\_\_\_\_

**Field Parameters:**

Sample Location: \_\_\_\_\_

Emission Control Burner (ECB): \_\_\_\_\_

Comment: \_\_\_\_\_

Pilot: \_\_\_\_\_ Wildlife Protection Devices (fired vessels): \_\_\_\_\_

**Reclamation - Storm Water - Pit**

**Interim Reclamation:**

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: IRRIGATED

Comment: \_\_\_\_\_

1003a. Waste and Debris removed? \_\_\_\_\_

CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Unused or unneeded equipment onsite? \_\_\_\_\_

CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Pit, cellars, rat holes and other bores closed? \_\_\_\_\_

CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

Guy line anchors marked? \_\_\_\_\_

CM \_\_\_\_\_

CA \_\_\_\_\_ CA Date \_\_\_\_\_

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? \_\_\_\_\_

Production areas have been stabilized? \_\_\_\_\_

Segregated soils have been replaced? \_\_\_\_\_

**RESTORATION AND REVEGETATION**

Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

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: IRRIGATED

Reminder: \_\_\_\_\_

Comment: \_\_\_\_\_

Well plugged \_\_\_\_\_ Pit mouse/rat holes, cellars backfilled \_\_\_\_\_

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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

S/A/V: \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

CA: \_\_\_\_\_

**Pits:**  NO SURFACE INDICATION OF PIT

**Attached Documents**

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

Document Num	Description	URL
682400781	Location Photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3870314">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3870314</a>