

**FORM
INSP**Rev
X/15**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:

08/30/2017

Submitted Date:

08/30/2017

Document Number:

685503641**FIELD INSPECTION FORM**
 Loc ID 439583 Inspector Name: MONTOYA, JOHN On-Site Inspection ☐ 2A Doc Num:
Operator Information:OGCC Operator Number: 10651Name of Operator: VERDAD RESOURCES LLCAddress: 5950 CEDAR SPRINGS ROADCity: DALLAS State: TX Zip: 75235**Status Summary:**

- ☒ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED

Findings:7 Number of Comments2 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

| Contact Name | Phone | Email | Comment |
|------------------|--------------|------------------------|---------------------------------|
| BEECHERL, ARTHUR | 214-728-1840 | abeecherl@beecherl.com | all inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------------|-------------|
| 439584 | WELL | PR | 01/21/2015 | OW | 123-40503 | Drake 01N-65W-22-8N | PR |

General Comment:

Location

| | | | |
|--------------------|------|-------|--|
| Lease Road: | | | |
| Type | Main | | |
| comment: | | | |
| Corrective Action | L | Date: | |

Overall Good: ☒

| | | | |
|----------------------|---------|-------|--|
| Signs/Marker: | | | |
| Type | BATTERY | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------------|----|-------|--|
| Emergency Contact Number: | | | |
| Comment: | OK | Date: | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------------|--------------------------|-------|------------|
| Good Housekeeping: | | | |
| Type | WEEDS | | |
| Comment: | CONTROL WEEDS | | |
| Corrective Action: | Comply with Rule 603.f . | Date: | 09/14/2017 |

Overall Good: ☐

| | | | | | |
|----------------|------|--------|--|--|--|
| Spills: | | | | | |
| Type | Area | Volume | | | |

In Containment: No

Comment: ☐ Multiple Spills and Releases?

| | | | | |
|--------------------|------------------------------------|-------|--|-----------------|
| Equipment: | | | | corrective date |
| Type: Plunger Lift | # 1 | | | |
| Comment: | INTERMITTER CONTROLLER ON WELLHEAD | | | |
| Corrective Action: | | Date: | | |

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

| | | | |
|--------------------|------------------------------|-------|------------|
| Flaring: | | | |
| Type | Ignitor/Combustor | | |
| Comment: | NO AIRS NUMBER ON TANKS | | |
| Corrective Action: | STENCIL AIRS NUMBER ON TANKS | Date: | 09/14/2017 |

| Inspected Facilities | | | | | | | | | |
|----------------------|--------|-------|------|-------------|-----------|---------|----|---------------|----|
| Facility ID: | 439584 | Type: | WELL | API Number: | 123-40503 | Status: | PR | Insp. Status: | PR |
| Producing Well | | | | | | | | | |
| Comment: | | PR | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |
| BradenHead | | | | | | | | | |
| Comment: | | OK | | | | | | | |
| Corrective Action: | | | | | | Date: | | | |

Reclamation - Storm Water - Pit**Interim Reclamation:**

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

Land Use: IRRIGATED

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND
SEGREGATION

Pass

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ Pass

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____ Pass

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____ Pass

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____ Pass

Comment _____

Corrective Action _____

Date _____

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

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? Pass

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

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 REVEGETATIONCropland

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

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

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? _____

Comment _____

Corrective Action _____ Date _____

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 _____

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 | Pass | Gravel | Pass | | | |

Comment: Corrective Action: Date: **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 |
|--------------|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 685503642 | BATTERY, PROD EQUIPMENT, AND WEEDS | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4240796 |
| 685503643 | WELLHEAD AND WEEDS | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4240798 |