

**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:

03/18/2019

Submitted Date:

03/18/2019

Document Number:

682504597**FIELD INSPECTION FORM**

Loc ID 462872	Inspector Name: Trujillo, Aaron	On-Site Inspection <input type="checkbox"/>	2A Doc Num: _____	Status Summary: <input type="checkbox"/> THIS IS A FOLLOW UP INSPECTION <input checked="" type="checkbox"/> FOLLOW UP INSPECTION REQUIRED <input type="checkbox"/> NO FOLLOW UP INSPECTION REQUIRED
Operator Information: OGCC Operator Number: <u>10651</u> Name of Operator: <u>VERDAD RESOURCES LLC</u> Address: <u>5950 CEDAR SPRINGS ROAD</u> City: <u>DALLAS</u> State: <u>TX</u> Zip: <u>75235</u>				Findings: <u>5</u> Number of Comments <u>1</u> Number of Corrective Actions <input checked="" type="checkbox"/> 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
Andrews, Doug		doug.andrews@state.co.us	
,		Regulatory@verdadoil.com	ALL INSPECTIONS

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
462862	WELL	XX	03/02/2019		123-49828	PEGGY 2501-09H	CI
462863	WELL	XX	03/02/2019		123-49829	PEGGY 2501-16H	CI
462864	WELL	XX	03/02/2019		123-49830	PEGGY 2501-08H	CI
462865	WELL	XX	03/02/2019		123-49831	PEGGY 2501-11H	CI
462866	WELL	XX	03/02/2019		123-49832	PEGGY 2501-13H	CI
462867	WELL	XX	03/02/2019		123-49833	PEGGY 2501-05H	CI
462868	WELL	XX	03/02/2019		123-49834	PEGGY 2501-14H	CI
462869	WELL	XX	03/02/2019		123-49835	PEGGY 2501-03H	CI
462870	WELL	XX	03/02/2019		123-49836	PEGGY 2501-15H	CI
462871	WELL	XX	03/02/2019		123-49837	PEGGY 2501-07H	CI
462873	WELL	XX	03/02/2019		123-49838	PEGGY 2501-06H	CI
462874	WELL	XX	03/02/2019		123-49839	PEGGY 2501-02H	CI
462875	WELL	XX	03/02/2019		123-49840	PEGGY 2501-01H	CI
462876	WELL	XX	03/02/2019		123-49841	PEGGY 2501-04H	CI
462877	WELL	XX	03/02/2019		123-49842	PEGGY 2501-12H	CI
462878	WELL	XX	03/02/2019		123-49843	PEGGY 2501-10H	CI

General Comment:

This is a pre-drill, construction and stormwater inspection. Any corrective action(s) from previous inspections that have not been addressed are still applicable

Location Construction

Location ID: 462872 CDP: _____

Comment: _____

Corrective Action: A disturbance area of 6.64 acres was mapped on 03/18/2019 via Trimble Juno 3B GPS unit; this exceeds the permitted disturbance area of 6 acres per the approved Form 2A.

Date: _____

Form 2A COAs:

Comment: _____

Corrective Action: _____

Date: _____

Wildlife BMPs:

Comment: _____

Corrective Action: _____

Date: _____

Comment: COAs per 2A doc. #401556542 required that "stormwater management plans (SWMP) will be in place to address construction, drilling, and operations associated with CDPHE permits. BMPs for stormwater will be implemented around the perimeter of the pad prior to or during construction...".

Construction activities in process. Operator has failed to install stormwater and erosion control BMPs on the location prior to construction activities in accordance with Rule 1002.f and 2A COAs.

Corrective Action: Install or repair required BMPs per Rule 1002.f. A corrective action date of 3/15/2019 is being provided as this is the "start date" of construction per the Form 42, document 401971178.

Date: 03/15/2019

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:

Inspected Facilities

Facility ID: <u>462862</u>	Type: <u>WELL</u>	API Number: <u>123-49828</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462863</u>	Type: <u>WELL</u>	API Number: <u>123-49829</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462864</u>	Type: <u>WELL</u>	API Number: <u>123-49830</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462865</u>	Type: <u>WELL</u>	API Number: <u>123-49831</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462866</u>	Type: <u>WELL</u>	API Number: <u>123-49832</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462867</u>	Type: <u>WELL</u>	API Number: <u>123-49833</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462868</u>	Type: <u>WELL</u>	API Number: <u>123-49834</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462869</u>	Type: <u>WELL</u>	API Number: <u>123-49835</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462870</u>	Type: <u>WELL</u>	API Number: <u>123-49836</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462871</u>	Type: <u>WELL</u>	API Number: <u>123-49837</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462873</u>	Type: <u>WELL</u>	API Number: <u>123-49838</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462874</u>	Type: <u>WELL</u>	API Number: <u>123-49839</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462875</u>	Type: <u>WELL</u>	API Number: <u>123-49840</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462876</u>	Type: <u>WELL</u>	API Number: <u>123-49841</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462877</u>	Type: <u>WELL</u>	API Number: <u>123-49842</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>
Facility ID: <u>462878</u>	Type: <u>WELL</u>	API Number: <u>123-49843</u>	Status: <u>XX</u>	Insp. Status: <u>CI</u>

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

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

Land Use: RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____ In _____

Comment _____

Sufficient topsoil salvage and segregation appears to have been conducted.

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ In Process _____

Comment _____

Pad construction in process. Ensure BMPs are installed at stockpiled soils to protect from degradation due to contamination, compaction and, to the extent practicable, from wind and water erosion during drilling and production operations. Ensure BMPs are implemented to prevent weed establishment and to maintain soil microbial activity.

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____ In Process _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

Corrective Action _____

Date _____

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

Comment _____

Corrective Action _____

Date _____

Guy line anchors marked? _____

Comment _____

Corrective Action _____

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 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: 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 _____

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 ☐

Attached Documents

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

Document Num	Description	URL
401975659	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4765366
682504598	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4765365