

**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:

08/07/2020

Submitted Date:

08/07/2020

Document Number:

696302235**FIELD INSPECTION FORM**Loc ID 462872 Inspector Name: PETRIE, ERICA On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10651Name of Operator: VERDAD RESOURCES LLCAddress: 1125 17TH STREET SUITE 550City: DENVER State: CO Zip: 80202**Status Summary:**☐ THIS IS A FOLLOW UP INSPECTION☒ FOLLOW UP INSPECTION REQUIRED☐ NO FOLLOW UP INSPECTION REQUIRED**Findings:**12 Number of Comments1 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 |
|--------------|-------|--------------------------|---------------------------------|
| , | | Regulatory@verdadoil.com | All Inspections |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------|-------------|
| 462874 | WELL | PR | 07/01/2019 | | 123-49839 | PEGGY 2501-02H | PR |
| 462875 | WELL | SI | 05/01/2020 | OW | 123-49840 | PEGGY 2501-01H | SI |

General Comment:

This is a Field Inspection ONLY. Any Corrective Actions from Construction and Stormwater Inspection FIR #682504821 regarding area of disturbance that have not been addressed are still applicable.

LocationOverall Good: ☒

| | | | |
|----------------------|----------------------|-------|--|
| Signs/Marker: | | | |
| Type | WELLHEAD | | |
| Comment: | Adequate (x2) | | |
| Corrective Action: | | Date: | |
| Type | CONTAINERS | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Type | BATTERY | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

| | | | |
|--------------------|--|-------|------------|
| Type | OTHER | | |
| Comment: | Stained Soil at Wellheads, see photos | | |
| Corrective Action: | For localized stained soils or oily waste - "Properly dispose of oily waste in accordance with 907.e." | Date: | 08/24/2020 |

Overall Good: ☐

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

In Containment: No

Comment:

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

| | | | |
|--------------------|-------------|-------|--|
| Type | LOCATION | | |
| Comment: | Barbed Wire | | |
| Corrective Action: | | Date: | |

Equipment:

| | | | |
|-------------------------------|-----|-------|-----------------|
| | | | corrective date |
| Type: Emission Control Device | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 7 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

| | | | |
|-----------------------------------|---------------------------------|--|-------|
| Type: LACT | # 1 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Compressor | # 1 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Bradenhead | # 2 | | |
| Comment: | Appear to be plumbed to surface | | |
| Corrective Action: | | | Date: |
| Type: Horizontal Heated Separator | # 2 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: VRU | # 1 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Vertical Heater Treater | # 2 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Type: Plunger Lift | # 2 | | |
| Comment: | | | |
| Corrective Action: | | | Date: |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|-----------------------|
| CRUDE OIL | 8 | 400 BBLs | STEEL AST | | 40.715110,-104.040870 |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|----------|---------------------|---------------------|-------------|
| Metal | Adequate | Walls Sufficient | Base Sufficient | Adequate |
| Comment: | | | | |
| Corrective Action: | | | | Date: |

Venting:

| | | |
|----------|----|--|
| Yes/No | NO | |
| Comment: | | |

| | | | |
|--------------------|--|-------|--|
| Corrective Action: | | Date: | |
| Flaring: | | | |
| Type | | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Inspected FacilitiesFacility ID: 462874 Type: WELL API Number: 123-49839 Status: PR Insp. Status: PR**Producing Well**Comment: PR

Corrective Action:

Date:

Facility ID: 462875 Type: WELL API Number: 123-49840 Status: SI Insp. Status: SI**Idle Well**Purpose: ☒ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: SI

Corrective Action:

Date: _____

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 | | Gravel | | | | |

Comment: Corrective Action: Date: **Pits:** ☒ NO SURFACE INDICATION OF PIT**COGCC Comments**

| Comment | User | Date |
|--|--------|------------|
| Routine Field Inspection. Stained Soil at Wellheads. Any Corrective Actions from Construction and Stormwater Inspection FIR #682504821 regarding area of disturbance that have not been addressed are still applicable. | petrie | 08/07/2020 |

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

| Document Num | Description | URL |
|--------------|----------------------|---|
| 402462155 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5219399 |
| 696302236 | Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5219396 |