

**FORM
INSP**Rev
X/20**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:

10/13/2022

Submitted Date:

10/13/2022

Document Number:

696304511**FIELD INSPECTION FORM**Loc ID 433993 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:15 Number of Comments3 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 |
|-------------|------|--------|-------------|------------|-----------|-----------------|-------------|
| 433991 | WELL | TA | 01/01/2021 | OW | 123-37895 | State 4-36-9-61 | TA |
| 433992 | WELL | PR | 04/01/2022 | OW | 123-37896 | State 3-36-9-61 | PR |
| 433994 | WELL | SI | 06/01/2022 | OW | 123-37897 | State 2-36-9-61 | SI |

General Comment:

Location

Overall Good: ☒

| | | | |
|----------------------|--|-------|------------|
| Signs/Marker: | | | |
| Type | CONTAINERS | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | West Crude Oil Tanks - NFPA Labels, see photos South Produced Water Tank - NFPA Label, see photos | | |
| Corrective Action: | Install sign to comply with Rule 605.h. | Date: | 11/14/2022 |
| Type | BATTERY | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| 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 905.e. | Date: | 10/28/2022 |

Overall Good: ☐

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

In Containment: No

Comment:

☐ Multiple Spills and Releases?

| | | | |
|--------------------|-------------|-------|--|
| Fencing/: | | | |
| Type | LOCATION | | |
| Comment: | Barbed Wire | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Panels | | |
| Corrective Action: | | Date: | |

| | | | |
|-------------------------------|-----|--|-----------------|
| Equipment: | | | corrective date |
| Type: Vertical Heater Treater | # 3 | | |
| Comment: | | | |

| | | | |
|-------------------------------|---------------------------------|-------|--|
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 4 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Vertical Separator | # 5 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Bradenhead | # 3 | | |
| Comment: | Appear to be plumbed to surface | | |
| Corrective Action: | | Date: | |
| Type: Flare | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Emission Control Device | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Pump Jack | # 3 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|----------------|---------|--------|
| PRODUCED WATER | 3 | 400 BBLs | FIBERGLASS AST | | , |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

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

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance | |
|--------------------|--------------------------------------|---------------------|---------------------|-------------|-----------------------|
| | | | | | |
| Comment: | Shares berm with the Crude Oil Tanks | | | | |
| Corrective Action: | | | | Date: | |
| Contents | # | Capacity | Type | Tank ID | SE GPS |
| CRUDE OIL | 9 | 400 BBLs | STEEL AST | | 40.711780,-104.148740 |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|-----------|----------|
| Condition | Adequate |
|-----------|----------|

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

Berms

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

Venting:

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

Flaring:

| | | |
|--------------------|-------------|-------|
| Type | Field Flare | |
| Comment: | | |
| Corrective Action: | | Date: |

Inspected FacilitiesFacility ID: 433991 Type: WELL API Number: 123-37895 Status: TA Insp. Status: TA**Idle Well**Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____Comment: TA - MIT 10.05.2021

Corrective Action: _____ Date: _____

Facility ID: 433992 Type: WELL API Number: 123-37896 Status: PR Insp. Status: PR**Idle Well**Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____Comment: TA - Well has been Safety Prepped for near-by Frac

Corrective Action: _____ Date: _____

Facility ID: 433994 Type: WELL API Number: 123-37897 Status: SI Insp. Status: SI**Idle Well**Purpose: ☐ Shut In ☒ Temporarily Abandoned Reminder: _____Comment: TA - Well has been Safety Prepped for near-by Frac

Corrective Action: _____ Date: _____

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 _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

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? _____ F _____

Comment Weeds in Interim Reclamation Area on the North and East Side of Location. See photos

Corrective Action Comply with Rule 100.3.f and 606.c

Date 10/27/2022

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 ☐

Storm Water:

| Loc Erosion BMPs | BMP Maintenance | Lease Road Erosion BMPs | Lease BMP Maintenance | Chemical BMPs | Chemical BMP Maintenance | Comment |
|------------------|-----------------|-------------------------|-----------------------|---------------|--------------------------|---------|
| Gravel | | | | | | |

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

| Comment | User | Date |
|--|--------|------------|
| Routine Field Inspection. South Produced Water Tank and West Crude Tanks NFPA Labels have faded and peeled away. Weeds in Interim Reclamation Area | petrie | 10/13/2022 |

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

| Document Num | Description | URL |
|--------------|-------------|---|
| 696304512 | Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5885856 |