

**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:

10/19/2022

Submitted Date:

10/25/2022

Document Number:

697504297**FIELD INSPECTION FORM**Loc ID 437190 Inspector Name: Binschus, Chris 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:**6 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
Edwardson, Dylan		dylan.edwardson@state.co.us	
Lutz, Deborah		debbie.lutz@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
437191	WELL	PR	09/11/2014	OW	123-39440	HEMBERGER 5-25-8-60	RI
437192	WELL	PR	09/11/2014	OW	123-39441	HEMBERGER 6-25-8-60	RI
437193	WELL	PR	10/01/2020	OW	123-39442	HEMBERGER 4-25-8-60	RI
437194	WELL	PR	09/11/2014	OW	123-39443	HEMBERGER 3-25-8-60	RI
437195	WELL	PR	09/12/2014	OW	123-39444	Hemberger 1-25-8-60	RI

General Comment:[This is an Interim Reclamation and Stormwater inspection.](#)

Inspected Facilities				
Facility ID: <u>437191</u>	Type: <u>WELL</u>	API Number: <u>123-39440</u>	Status: <u>PR</u>	Insp. Status: <u>RI</u>
Facility ID: <u>437192</u>	Type: <u>WELL</u>	API Number: <u>123-39441</u>	Status: <u>PR</u>	Insp. Status: <u>RI</u>
Facility ID: <u>437193</u>	Type: <u>WELL</u>	API Number: <u>123-39442</u>	Status: <u>PR</u>	Insp. Status: <u>RI</u>
Facility ID: <u>437194</u>	Type: <u>WELL</u>	API Number: <u>123-39443</u>	Status: <u>PR</u>	Insp. Status: <u>RI</u>
Facility ID: <u>437195</u>	Type: <u>WELL</u>	API Number: <u>123-39444</u>	Status: <u>PR</u>	Insp. Status: <u>RI</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 _____

Comment _____

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____

Comment

It is unclear whether there is topsoil stockpiled along the eastern location or whether the location has been properly contoured. Refer to the attached inspection photos.

If it is topsoil, Operator shall comply with Rule 1002.c.: all stockpiles shall be protected from degradation due to contamination, compaction and, to the extent practicable, from wind and water erosion during drilling and production operations. Per Rule 1002.c., BMPs to prevent weed establishment and to maintain soil microbial activity shall be implemented.

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? FailProduction areas stabilized ? Pass

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? Fail

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 Fail

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

Operator has performed interim reclamation; however, interim areas have not been reclaimed to their original condition and portions of the northeastern well pad do not appear to be needed for production operations. Operator has used a mixed native and introduced grass mix which is not reflective of reference vegetation. The interim reclamation areas consist of unmanaged annual, weedy Kochia vegetation and bare ground with some desirable vegetation establishment. Introduced grass species have established more so than the native grass species.

An unmanaged List C Colorado noxious weed, Puncturevine, was observed throughout portions of the well pad.

Corrective Action

Perform reclamation in accordance to Rule 1003 for the interim areas, further reduce the northeastern well pad area and perform noxious weed management. Establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of reference area levels. Ensure erosion controls are implemented to stabilize the seeded soil, and continue to monitor and manage this site until the location meets Rule 1003 standards. Operator shall submit a Form 4 Interim Reclamation Complete notice when the location meets Rule 1003 standards. COGCC may conduct inspections prior to receiving said notice to ensure compliance with Rule 1003.

The corrective date is the date the location was observed out of compliance.

Date 10/19/2022Overall Interim Reclamation Fail**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

Comment: At the time of this inspection, no erosion issues were observed at location or along the access road.

Corrective Action: _____

Date: _____

Pits: ☐ NO SURFACE INDICATION OF PIT**COGCC Comments**

Comment	User	Date
<u>As noted previously, it is unclear whether it's a topsoil stockpile along the eastern perimeter or whether the location has not been properly contoured. If it isn't topsoil, Operator shall properly recontour while the Operator is further reducing the size of the well location along the northeastern portion.</u>	binschusc	10/25/2022

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

Document Num	Description	URL
403208063	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5896668
697504298	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5896637