

**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:

01/24/2023

Submitted Date:

02/01/2023

Document Number:

696105695

FIELD INSPECTION FORMLoc ID 457136 Inspector Name: Edwardson, Dylan On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

OGCC Operator Number: 10651

Name of Operator: VERDAD RESOURCES LLC

Address: 1125 17TH STREET SUITE 550

City: 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 Comments

5 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
CUGNETTI, MIKE	303-704-8856	mcugnetti@verdadoil.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
457130	WELL	DG	10/26/2022	LO	123-47778	Rohn 1423-08H	CI
457133	WELL	PR	09/25/2019	OW	123-47780	Rohn 9-60 14A-23-3	CI
457134	WELL	PR	09/26/2019	OW	123-47781	Rohn 9-60 14A-23-1	CI
457135	WELL	DG	10/28/2022	LO	123-47782	Rohn 1423-05H	CI
457136	LOCATION	AC			-	Rohn 9-60 14A	CI
457140	WELL	DG	10/26/2022	LO	123-47786	Rohn 1423-07H	CI
457141	WELL	DG	10/29/2022	LO	123-47787	Rohn 1423-04H	CI
457142	WELL	DG	10/25/2022	LO	123-47788	Rohn 1423-09H	CI
457143	WELL	DG	10/27/2022	LO	123-47789	Rohn 1423-06H	CI

General Comment:

This is a Follow-up Construction and Stormwater Inspection in response to FIRR Doc #403286347 and to previous inspection Doc #696105648.

LocationOverall Good: ☐

Signs/Marker:			
Type	TANK LABELS/PLACARDS		
Comment:	Signs and NFPA labels not posted on vertical storage tanks located on the northeast portion of the location. Refer to attached inspection photos.		
Corrective Action:	Install sign to comply with Rule 605.c.	Date:	03/02/2023

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

Type	OTHER		
Comment:	During this inspection, a hole/boring/subsidence (See photos) was observed immediately adjacent to well API 123-47788 that was approximately 4' deep or greater. Inspector used a shovel to evaluate the depth of the hole/boring/subsidence and was unable to touch the bottom. There was nothing on site to indicate an open excavation or provide warning or safety protections for both humans and wildlife.		
Corrective Action:	Operator shall immediately ensure operations are safe and will properly install safety controls for the observed hole/boring/subsidence pursuant to Rule 602.c. Corrective action date is the date the location was observed out of compliance. Through communications with the inspectors Supervisor staff was made aware of the significance of this situation on 02/01/2023 and immediate notification was made to the Operator to install safety controls. Note: Called Mike Cugnettis (Operator) on 02/01/2023 for notification purposes to backfill the open excavation.	Date:	01/24/2023
Type	UNUSED EQUIPMENT		
Comment:	Unused equipment (e.g. flatbed trailer and road maintainer/drag) observed on location. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606 and remove any unused equipment.	Date:	02/15/2023
Type	DEBRIS		
Comment:	It appears the Operator has performed the previous corrective actions as outlined in Doc #696105648 as evidenced by Operator submitted photo documentation provided in FIRR (Doc #403286347). However, during this inspection debris was observed throughout the location including tumbleweed accumulations within equipment, tarp material, and other wood debris. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606 and remove debris.	Date:	02/07/2023

Overall Good: ☐

Spills:				
Type	Area	Volume		
Other				
Comment:	Oil stained soil observed near wellhead and unidentified material within containment area of vertical storage tanks. Refer to attached inspection photos.			
Corrective Action:	Control and contain spills/releases and clean up per Rule 912.a. Free fluids must be removed by EOB 02/02/2023 and stained soil must be cleaned up by CA date.	Date:	03/02/2023	

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Venting:**

Yes/No			
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Comment:			
Corrective Action:		Date:	
Flaring:			
Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities				
Facility ID: <u>457130</u>	Type: <u>WELL</u>	API Number: <u>123-47778</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>457133</u>	Type: <u>WELL</u>	API Number: <u>123-47780</u>	Status: <u>PR</u>	Insp. Status: <u>CI</u>
Facility ID: <u>457134</u>	Type: <u>WELL</u>	API Number: <u>123-47781</u>	Status: <u>PR</u>	Insp. Status: <u>CI</u>
Facility ID: <u>457135</u>	Type: <u>WELL</u>	API Number: <u>123-47782</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>457136</u>	Type: <u>LOCATION</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>CI</u>
Facility ID: <u>457140</u>	Type: <u>WELL</u>	API Number: <u>123-47786</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>457141</u>	Type: <u>WELL</u>	API Number: <u>123-47787</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>457142</u>	Type: <u>WELL</u>	API Number: <u>123-47788</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>457143</u>	Type: <u>WELL</u>	API Number: <u>123-47789</u>	Status: <u>DG</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 _____ Pass _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND _____ Pass _____

Comment _____

Appears topsoil was salvaged and stored along the eastern perimeter of the location in compliance with Rule 1002.b.

Corrective Action _____

Date _____

1002c. PROTECTION OF SOILS _____ Pass _____

Comment _____

Topsoil appears to have been stabilized with evidence of drill rows and crimped straw mulch.

Corrective Action _____

Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____

Date _____

1003a. Waste and Debris removed? _____

Comment _____

See "Good Housekeeping" section comments.

Corrective Action _____

Date _____

Unused or unneeded equipment onsite? _____

Comment _____

See "Good Housekeeping" section comments.

Corrective Action _____

Date _____

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

Comment _____

See "Good Housekeeping" section.

Corrective Action _____

Date **02/16/2023**

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 Operator shall comply with interim reclamation timing requirements.

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 ☐

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 stormwater erosion issues were observed at location or along the access road.](#)

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
403309670	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6006305
696105711	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6006299