

**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:

03/31/2023

Submitted Date:

04/05/2023

Document Number:

708200079

FIELD INSPECTION FORMLoc ID 432694 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:

7 Number of Comments

2 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
432694	LOCATION	AC			-	Shull 1-35-9-60 PAD	RI

General Comment:

This is a follow-up inspection to Field Inspection Report (Doc #696105732) and Operator submitted FIRR (Doc #403342745) to document corrective action compliance.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: **Good Housekeeping:**

Type	OTHER		
Comment:	During this inspection, Staff observed an unknown fluid within the secondary containment of an elevated storage tank and was unable to verify if fluid originated from the tank. Refer to attached inspection photos for documentation.		
Corrective Action:	Conduct maintenance on equipment, cleanup stained material (e.g. milky fluid in containment) and review self inspection processes per Rule 1002.f(2)D.	Date:	04/12/2023
Type	OTHER		
Comment:	It appears the Operator has performed the corrective action to remove the antifreeze from the engine skid and placed rags to soak up any free fluids in the containment. During this inspection, Staff observed that the rags were saturated and that residual antifreeze was still within the containment, though it appeared to be diluted. As this is an ongoing compliance issue, the Operator is being required to inspect equipment to verify that the source of the antifreeze leak is fixed to prevent further occurrences.		
Corrective Action:	Remove and properly dispose of any remaining free fluids and Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e.	Date:	04/19/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

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

Type			
Comment:	It appears the Operator has performed the corrective action and installed wildlife exclusion devices on the engine shed. Refer to attached inspection photos.		
Corrective Action:		Date:	

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
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

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

[Operator shall continue to monitor and manage this site for stormwater run on and runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation until the facility is abandoned and final reclamation is achieved pursuant to Rule 1004.](#)

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
403366372	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6073493
708200104	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6073488