

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:
403408347

Date Received:
05/22/2023

FIR RESOLUTION FORM

Overall Status: CAC

CA Summary:

2 of 3 CAs from the FIR responded to on this Form

2 CA Completed
0 Factual Review Request

OPERATOR INFORMATION

OGCC Operator Number: 10651
Name of Operator: VERDAD RESOURCES LLC
Address: 1125 17TH STREET SUITE 550
City: DENVER State: CO Zip: 80202

Contact Name and Telephone:
Name: _____
Phone: () _____ Fax: () _____
Email: _____

Additional Operator Contact:

Contact Name	Phone	Email
<u>Michael Cugnetti</u>	<u>720-845-6901</u>	<u>mcugnetti@verdadresources.com</u>

COGCC INSPECTION SUMMARY:

FIR Document Number: 708200264
Inspection Date: 05/17/2023 FIR Submit Date: 05/19/2023 FIR Status: _____

Inspected Operator Information:

Company Name: VERDAD RESOURCES LLC Company Number: 10651
Address: 1125 17TH STREET SUITE 550
City: DENVER State: CO Zip: 80202

LOCATION - Location ID: 432694

Location Name: Shull Number: 1-35-9-60 County: _____
PAD
Qtrqtr: NENE Sec: 35 Twp: 9N Range: 60W Meridian: 6
Latitude: 40.713140 Longitude: -104.054300

FACILITY - API Number: 05-123- -00 Facility ID: 432694

Facility Name: Shull Number: 1-35-9-60
PAD
Qtrqtr: NENE Sec: 35 Twp: 9N Range: 60W Meridian: 6
Latitude: 40.713140 Longitude: -104.054300

CORRECTIVE ACTIONS:

1 CA# 171186

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. Corrective action date is being backdated to when the corrective action should have been performed by.

Date: 04/19/2023

Response: CA COMPLETED Date of Completion: 04/12/2023

This Corrective action was completed on 4/12/23. The engine mechanic worked on the engine, drained fluids

Operator Comment: and ensured all valves, pipes and fittings on the engine were in good mechanical condition. The facility and wells have been shut in and the engine has not run and is still drained of fluids since the last CA date. There was recent rain, as seen in the inspection photos. The liquid in the engine containment is rain water.

COGCC Decision: Approved pending re-inspection

COGCC Representative: Approved pending re-inspection of this FIR resolution acknowledges the document was received. It is not an acknowledgement that the corrective action has been passed. A field inspection will be conducted at a future date to evaluate compliance with COGCC rules.

2 CA# 171187

Corrective Action: Report spill or release of E&P waste or produced fluids. Remove free fluids and contact COGCC EPS staff per Rule 912.b. 24 hours to remove free fluids. 24 hours for notification and 72 hours for Initial Form 19 Report. Form 19I shall be submitted by EOB 05/22/2023.

Date: 05/22/2023

Response: CA COMPLETED

Date of Completion: 05/17/2023

Operator Comment: The spill was immediately cleaned up on the date of discovery. See attached photo documentation of the vac truck on location and cleanup. This spill was not a reportable quantity. But to satisfy the corrective action a form 19 was filled out and submitted. The inspection form was submitted two days after the nonreportable spill was discovered so the form 19 was not submitted within 24 hours from discovery, but does satisfy the corrective action which does not adhere to COGCC 912 rules.

COGCC Decision: Approved pending re-inspection

COGCC Representative: Approved pending re-inspection of this FIR resolution acknowledges the document was received. It is not an acknowledgement that the corrective action has been passed. A field inspection will be conducted at a future date to evaluate compliance with COGCC rules. EPS staff has received Form 19I (doc #403408349) and is currently "In-Process".

OPERATOR COMMENT AND SUBMITTAL

Comment:

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Michael Cugnetti

Signed: _____

Title: Director of EHS&R

Date: 5/22/2023 10:11:58 AM

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

<u>Document Number</u>	<u>Description</u>
403408347	FIR RESOLUTION SUBMITTED
403409020	Corrective Action Photo Documentation
403409021	Corrective Action Photo Documentation
403409022	Corrective Action Photo Documentation
403409024	Corrective Action Photo Documentation

Total Attach: 5 Files