

**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:

09/06/2023

Submitted Date:

09/14/2023

Document Number:

708200544

FIELD INSPECTION FORMLoc ID 433228 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:**

10 Number of Comments

7 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
CUGNETTI, MIKE	303-704-8856	mcugnetti@verdadoil.com	All Inspections
,		regulatory@verdadoil.com	All Inspections
		logan.hansen@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
433227	WELL	TA	10/13/2017	OW	123-37554	Nelson Ranches Fed 1-27-10-59	RI
433228	LOCATION	AC			-	Nelson Ranches 1-27-10-59 PAD	RI
436494	WELL	PR	07/09/2014	OW	123-39158	Nelson Ranches Fed 2-27-10-59	RI
436495	WELL	PR	02/01/2023	OW	123-39159	Nelson Ranches Fed 3-27-10-59	RI
436521	WELL	PR	06/29/2014	OW	123-39170	Nelson Ranches Fed 5-27-10-59	RI

General Comment:

This is an Interim Reclamation and Stormwater Inspection for Location ID (433228).

LocationOverall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

Type	OTHER		
Comment:	Stained soil was observed near wellheads, loadout lines, tank battery secondary containment, day tank, and compressor station. Refer to attached inspection photos for examples.		
Corrective Action:	Properly dispose of oily waste in accordance with 905.e. Location will remain out of compliance until the corrective action has been resolved.	Date:	09/06/2023
Type	DEBRIS		
Comment:	Degraded straw wattles are now considered debris and need to be removed. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606. Location will remain out of compliance until the corrective action has been resolved.	Date:	09/06/2023
Type	TRASH		
Comment:	Trash was observed throughout the location. Refer to attached inspection photos for examples.		
Corrective Action:	Comply with Rule 606. Location will remain out of compliance until the corrective action has been resolved.	Date:	09/06/2023
Type	WEEDS		
Comment:	Undesirable vegetation (e.g. kochia and russian thistle) was observed to be growing throughout the production areas and interim reclaimed areas. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606. Location will remain out of compliance until the corrective action has been resolved.	Date:	09/06/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment:

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

Type: Other	#		corrective date
Comment:	Steel tanks are rusted, pitted, and/or have peeling paint. Refer to attached inspection photos.		
Corrective Action:	Inspect, maintain and repair tanks to comply with Rule 609.b. Location will remain out of compliance until the corrective action has been resolved.	Date:	09/06/2023

Venting:

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		

Corrective Action:		Date:	
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Inspected Facilities									
Facility ID:	<u>433227</u>	Type:	<u>WELL</u>	API Number:	<u>123-37554</u>	Status:	<u>TA</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>433228</u>	Type:	<u>LOCATION</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>436494</u>	Type:	<u>WELL</u>	API Number:	<u>123-39158</u>	Status:	<u>PR</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>436495</u>	Type:	<u>WELL</u>	API Number:	<u>123-39159</u>	Status:	<u>PR</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>436521</u>	Type:	<u>WELL</u>	API Number:	<u>123-39170</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: OTHER, RANGELAND

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____

Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

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 ? Fail

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 This location does not comply with Rule 1003. During this inspection, Staff observed that the interim areas do not appear to be progressing towards Rule 1003 standards and regulations with evidence of Colorado List B Noxious Weed (Canada Thistle) infestation in the northeast corner of the location. Additionally, eastern portions of the interim areas have non-uniform vegetation cover resulting in areas of bare/exposed soils; additional reclamation activities are required in order to stabilize soils from wind and water erosion. Refer to attached inspection photos.

Corrective Action Comply with Rule 1003. Location will remain out of compliance until the corrective action has been resolved.

Date 09/06/2023

Overall Interim Reclamation Fail

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: OTHER, 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: This location does not comply with Rule 1002.f. During this inspection, Staff observed erosion degradation occurring at water crossing/culverts approximately 1/4mi south of the location on the access road, offsite sediment transport at the location's cattle guard, and production areas that do not appear to be properly stabilized with evidence of unconsolidated materials. Refer to attached inspection photos.

Corrective Action: Comply with Rule 1002.f. Location will remain out of compliance until the corrective action has been resolved.

Date: 09/06/2023

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
708200556	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6251852