

**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:

10/18/2023

Submitted Date:

10/31/2023

Document Number:

713900027

FIELD INSPECTION FORMLoc ID 472202 Inspector Name: Hansen, Logan 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 |
|-----------------|-------|-------------------------------|---------|
| Binschus, Chris | | chris.binschus@state.co.us | |
| Heibel, Krystal | | krystal.heibel@state.co.us | |
| Cugnetti, Mike | | MCugnetti@verdadresources.com | |
| | | Regulatory@verdadoil.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------------|-------------|
| 477734 | WELL | PR | 09/01/2022 | OW | 123-51202 | Timbro Fed 1931 01H | RI |
| 477735 | WELL | PR | 10/01/2022 | OW | 123-51203 | Timbro Fed 1931 06H | RI |
| 477736 | WELL | PR | 10/01/2022 | OW | 123-51204 | Timbro Fed 1931 07H | RI |
| 477737 | WELL | PR | 10/01/2022 | OW | 123-51205 | Timbro Fed 1931 04H | RI |
| 477738 | WELL | PR | 10/01/2022 | OW | 123-51206 | Timbro Fed 1931 08H | RI |
| 477739 | WELL | PR | 01/05/2023 | OW | 123-51207 | Timbro Fed 1931 03H | RI |
| 477740 | WELL | PR | 10/01/2022 | OW | 123-51208 | Timbro Fed 1931 05H | RI |
| 477741 | WELL | PR | 09/01/2022 | OW | 123-51209 | Timbro Fed 1931 02H | RI |

General Comment:

This is an interim reclamation and stormwater inspection.

LocationOverall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

Type

WEEDS

Comment:

Undesirable plants (kochia/russian thistle) were observed accross the location in stormwater ditches and on a gravel pile on site.

Corrective Action:

Date:

Overall Good: ☐**Spills:**

Type

Area

Volume

In Containment: No

Comment:

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

Yes/No

Comment:

Corrective Action:

Date:

Flaring:

Type

Comment:

Corrective Action:

Date:

| Inspected Facilities | | | | | | | | | |
|----------------------|---------------|-------|-------------|-------------|------------------|---------|-----------|---------------|-----------|
| Facility ID: | <u>477734</u> | Type: | <u>WELL</u> | API Number: | <u>123-51202</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |
| Facility ID: | <u>477735</u> | Type: | <u>WELL</u> | API Number: | <u>123-51203</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |
| Facility ID: | <u>477736</u> | Type: | <u>WELL</u> | API Number: | <u>123-51204</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |
| Facility ID: | <u>477737</u> | Type: | <u>WELL</u> | API Number: | <u>123-51205</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |
| Facility ID: | <u>477738</u> | Type: | <u>WELL</u> | API Number: | <u>123-51206</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |
| Facility ID: | <u>477739</u> | Type: | <u>WELL</u> | API Number: | <u>123-51207</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |
| Facility ID: | <u>477740</u> | Type: | <u>WELL</u> | API Number: | <u>123-51208</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |
| Facility ID: | <u>477741</u> | Type: | <u>WELL</u> | API Number: | <u>123-51209</u> | Status: | <u>PR</u> | Insp. Status: | <u>RI</u> |
| | | | | | | | | | |

Environmental**Spills/Releases:**

Type of Spill: PRODUCED WATER

Estimated Spill Volume: _____

Comment: At the time of inspection a produced water spill was observed within the secondary containment of the tank batteries. The emergency number was called by the inspector on 10/18/23 and the operator was made aware of the issue.

Corrective Action: Control and contain spills/releases, conduct maintenance on equipment and clean up per Rule 912.a. The corrective date is the date the location was observed out of compliance.

Date: 10/17/2023

Reportable: _____

GPS: Lat _____

Long _____

Proximity to Surface Water: _____

Depth to Ground Water: _____

Water Well Complaint:

Lat

Long

DWR Receipt Num: _____

Owner Name: _____

GPS : _____

Field Parameters:

Sample Location: _____

Comment: _____

Reclamation - Storm Water - Pit**Interim Reclamation:**

Date Interim Reclamation Started: 01/01/2023

Date Interim Reclamation Completed: _____

Land Use: 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 In Process _____

Comment _____

Topsoil piles should be reseeded and stabilized for stormwater. They should also not be used for fill material on location and the ECMC inspector would suggest marking the topsoil pile.

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? Fail _____

Comment _____

This location does not comply with Rule 1003.e. Wellheads were not fully encircled by fencing though some was present on site near them.

Corrective Action _____

Cover and fence all rat holes, mouse holes, and cellars with materials sufficient to prevent accidental access by people, livestock, or wildlife according to Rule 1003.a.

Date 10/17/2023

Guy line anchors marked? _____

Comment _____

Corrective Action _____

Date _____

1003b. Area no longer in use? PassProduction areas stabilized ? Pass1003c. Compacted areas have been cross ripped? Pass

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? PassSegregated soils have been replaced? Pass**RESTORATION AND REVEGETATION**Cropland

Top soil replaced _____

Recontoured _____

Perennial forage re-established _____

Non-CroplandTop soil replaced PassRecontoured Pass80% Revegetation In

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

Appears interim reclamation activities have been performed to reduce disturbance areas only needed for production operations. Vegetation throughout the interim areas has not met Rule 1003 standards and will remain IN-PROCESS. Triticale and some other introduced grasses were observed and the interim areas were mowed during the site visit therefore the site will remain IN-PROCESS.

Operator shall continue to monitor and manage this site until the location meets Rule 1003 standards, including stormwater and weed management. 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.

Corrective Action

Date _____

Overall Interim Reclamation In Process**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 the location.](#)

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 |
|--------------|----------------------|---|
| 403579674 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6305025 |
| 713900057 | Inspection photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6305015 |