

**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:

11/02/2023

Submitted Date:

11/09/2023

Document Number:

708200680

FIELD INSPECTION FORMLoc ID 417324 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:**

8 Number of Comments

4 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

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
417317	WELL	PR	06/01/2023	OW	123-31642	STATE 16-11-9-60H	RI
417324	LOCATION	AC			-	State 16-11-9-60H	RI
435078	WELL	PR	04/01/2023	OW	123-38452	STATE 3-16-9-60	RI
435079	WELL	SI	11/01/2022	OW	123-38453	STATE 4-16-9-60	RI
435394	WELL	PR	08/01/2023	OW	123-38591	State 2-16-9-60	RI

General Comment:[This is an Interim Reclamation and Stormwater Inspection for Location ID \(417324\).](#)

LocationOverall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

Type	TRASH		
Comment:	Trash previously documented in FIR (doc no 697504289) does not appear to have been removed from the location. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606. Original corrective action date remains (11/01/2022).	Date:	11/01/2022
Type	UNUSED EQUIPMENT		
Comment:	Unused equipment observed within secondary containment of tank battery facility.		
Corrective Action:	Comply with Rule 606. The location will remain out of compliance until the corrective action has been resolved.	Date:	11/02/2023
Type	OTHER		
Comment:	Stained soil observed on the southern portion of the tank battery facility. Refer to attached inspection photos.		
Corrective Action:	Properly dispose of oily waste in accordance with Rule 905.e. The location will remain out of compliance until the corrective action has been resolved.	Date:	11/02/2023

Overall Good: ☐**Spills:**

Type	Area	Volume		
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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>417317</u>	Type:	<u>WELL</u>	API Number:	<u>123-31642</u>	Status:	<u>PR</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>417324</u>	Type:	<u>LOCATION</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>435078</u>	Type:	<u>WELL</u>	API Number:	<u>123-38452</u>	Status:	<u>PR</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>435079</u>	Type:	<u>WELL</u>	API Number:	<u>123-38453</u>	Status:	<u>SI</u>	Insp. Status:	<u>RI</u>
Facility ID:	<u>435394</u>	Type:	<u>WELL</u>	API Number:	<u>123-38591</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: 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? <u>Fail</u>	Production areas stabilized ? <u>Pass</u>
1003c. Compacted areas have been cross ripped? _____	
1003d. Drilling pit closed? <u>Pass</u>	Subsidence over on drill pit? <u>Pass</u>
Cuttings management: _____	
1003e. Areas no longer needed for drilling or subsequent operations for have been re-vegetated to 80% of pre-existing? <u>Fail</u>	
Production areas have been stabilized? <u>Pass</u>	Segregated soils have been replaced? _____
RESTORATION AND REVEGETATION	
<u>Cropland</u>	
Top soil replaced _____	Recontoured _____ Perennial forage re-established _____
<u>Non-Cropland</u>	
Top soil replaced _____	Recontoured _____ 80% Revegetation <u>Fail</u>
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	<div style="border: 1px solid black; padding: 5px;">This location does not comply with Rule 1003. It does not appear any additional reclamation activities have been performed since the previous inspection (doc #697504289). The pit and interim areas consist of areas of non-uniform vegetative cover resulting in areas of bare/exposed soils and evidence of undesirable vegetation (e.g. kochia, russian thistle and crested wheatgrass) was observed throughout, though the location appears to have been recently mowed. Additional reclamation activites are required as this location is not reflective of adjacent reference areas. Refer to attached inspection photos.</div>
Corrective Action	<div style="border: 1px solid black; padding: 5px;">Perform reclamation in accordance with Rule 1003 for the interim areas and pit area. Establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of reference area levels. Ensure erosion controls are implemented to stabilize the seeded soil, and continue to monitor and manage this site until the location meets Rule 1003 standards. Operator shall submit a Form 4 Interim Reclamation Complete notice when the location meets Rule 1003 standards. ECMC may conduct inspections prior to receiving said notice to ensure compliance with Rule 1003.</div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;">The location will remain out of compliance until the corrective action has been resolved.</div>
Overall Interim Reclamation	<u>Fail</u> Date <u>11/02/2023</u>

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 the 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
403591659	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6317714
708200687	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6317698