

FORM INSP
Rev 05/11

**State of Colorado
Oil and Gas Conservation Commission**

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



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Inspection Date:
01/19/2015

Document Number:
673801689

Overall Inspection:
SATISFACTORY

FIELD INSPECTION FORM

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	<u>439116</u>	<u>439116</u>	<u>Gomez, Jason</u>	<input type="checkbox"/>	

Operator Information:

OGCC Operator Number:	<u>10485</u>
Name of Operator:	<u>VERDAD OIL & GAS CORPORATION</u>
Address:	<u>5950 CEDAR SPRINGS RD #200</u>
City:	<u>DALLAS</u> State: <u>TX</u> Zip: <u>75235</u>

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED
- INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

Contact Information:

Contact Name	Phone	Email	Comment
Beecherl, Arthur	214-838-2783	abeecherl@beecherl.com	
Kulmann, Dave		dave.kulmann@state.co.us	

Compliance Summary:

QtrQtr:	<u>NWNW</u>	Sec:	<u>2</u>	Twp:	<u>1N</u>	Range:	<u>64W</u>
Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
12/23/2014	673801653			SATISFACTORY			No

Inspector Comment:

Wind speed were between 10 to 16 mph at time of inspection . no sound study was performed

Related Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
439110	WELL	DG	12/15/2014		123-40319	Pastelak 01N-64W-02-3N	DG	<input checked="" type="checkbox"/>
439111	WELL	XX	09/26/2014		123-40320	Pastelak 01-64W-02-1C	XX	<input type="checkbox"/>
439112	WELL	XX	09/26/2014		123-40321	Pastelak 01N-64W-02-7N	XX	<input type="checkbox"/>
439113	WELL	XX	09/26/2014		123-40322	Pastelak 01N-64W-02-4N	XX	<input type="checkbox"/>
439114	WELL	XX	09/26/2014		123-40323	Pastelak 01N-64W-02-8N	XX	<input type="checkbox"/>
439115	WELL	XX	09/26/2014		123-40324	Pastelak 01N-64W-02-6N	XX	<input type="checkbox"/>
439117	WELL	XX	09/26/2014		123-40325	Pastelak 01N-64W-02-2N	XX	<input type="checkbox"/>
439118	WELL	XX	09/26/2014		123-40326	Pastelak 01N-64W-02-5C	XX	<input type="checkbox"/>
439119	WELL	XX	09/26/2014		123-40327	Pastelak 01N-64W-02-9C	XX	<input type="checkbox"/>

Equipment:

Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>9</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>2</u>	Separators: <u>4</u>	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: _____
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: _____	Water Pipeline: _____
Gas Compressors: <u>1</u>	VOC Combustor: <u>2</u>	Oil Tanks: <u>6</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

Location

Emergency Contact Number (S/AV): _____ Corrective Date: _____

Comment: _____

Corrective Action: _____

Spills:

Type	Area	Volume	Corrective action	CA Date
<input type="checkbox"/> Multiple Spills and Releases?				

Venting:

Yes/No	Comment

Flaring:

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

Predrill

Location ID: 439116

Site Preparation:
 Lease Road Adeq.: _____ Pads: _____ Soil Stockpile: _____

S/AV: _____
 Corrective Action: _____ Date: _____ CDP Num.: _____

Form 2A COAs:
S/AV: _____ **Comment:** _____
CA: _____ **Date:** _____

Wildlife BMPs:

BMP Type	Comment
Dust control	Per Rule 805: Oil & Gas Facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare.
Material Handling and Spill Prevention	Leak Detection Plan. Pumper will visit the location daily and visually inspect all tanks and fittings for leaks. Additionally, monthly documented SPCCP inspections are conducted pursuant to 40 CFR §112.
Drilling/Completion Operations	Control of fire hazards. All materials which are considered fire hazards shall be a minimum of 25' from the wellhead tanks or separators. Electrical equipment shall comply with API RP 500 and will comply with the current national electrical code. An emergency response plan has been generated for this site.
Drilling/Completion Operations	Blowout preventer equipment ("BOPE"). A double ram and annular preventer will be used during drilling. At least the drilling company shall have a valid well blowout prevention certifications.
Noise mitigation	Verdad will install a sound barrier to accommodate noise.

Drilling/Completion Operations	BOPE for well servicing operations. Adequate BOP equipment shall be used. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.
Noise mitigation	Lighting abatement measures shall be implemented, including the installation of lighting shield devices on all of the more conspicuous lights, low density sodium lighting where practicable; and rig shrouding if necessary will be used to include perimeter sound walls on the location during drilling and completion activities to provide noise relief. Permanent equipment on location shall be muffled to reduce noise, or shall be appropriately buffered.
Drilling/Completion Operations	Green Completions – Emission Control Systems. Test separators and associated flow lines and sand traps shall be installed on-site to accommodate Green completions techniques pursuant to COGCC Rules. In the anticipated absence of a viable gas sales line, the flow-back gas shall be thermally oxidized in an emissions control device (ECD), which will be installed and kept in operable condition for least the first 90-days of production pursuant to CDPHE rules. This ECD shall have an adequate capacity for 1.5 times the largest flow-back within a 10 mile radius, will be flanged to route gas to other or permanent oxidizing equipment and shall be provided with the equipment needed to maintain combustion where non-combustible gases are present.
Material Handling and Spill Prevention	Tank specifications. Tanks will be designed, constructed and maintained in accordance with NFPA Code 30. The tanks are visually inspected once a day for issues, and recorded inspections are conducted once a month.
Drilling/Completion Operations	Drill stem tests. Not applicable; no Drill Stem tests are planned.
Drilling/Completion Operations	Guy line anchors. All guy line anchors shall be brightly marked pursuant to Rule 604.c (2)Q.
Material Handling and Spill Prevention	Berm construction. Tank berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked periodically to ensure proper working condition.
Drilling/Completion Operations	Pit level indicators. Not applicable; a closed-loop system will be used and no pits shall be dug.
General Housekeeping	In the event of a catastrophic MLVT failure, the Operator shall notify the COGCC as soon as practicable but not more than 24 hours after discovery, submit a Form 22-Accident Report within 10 days after discovery, conduct a “root cause analysis”, and provide same to COGCC on a Form 4-Sundry Notice within 30 days of the failure
Material Handling and Spill Prevention	Load-lines. All load-lines shall be bull-plugged or capped.
Dust control	Per Rule 805, Oil & Gas Facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance or hazard to public welfare.
Final Reclamation	Well site cleared. Within 90-day subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site.
Traffic control	Access roads. The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times.
Planning	Multi-well Pads. It is a multi-well pad located in a manner which allows for resource extraction while maintaining the highest distances possible from the offsetting residential areas.
General Housekeeping	Removal of surface trash. All trash, debris and material not intrinsic to the operation of the oil and gas facility shall be removed and legally disposed of as is applicable.
Final Reclamation	Identification of plugged and abandoned wells. P&A'd wells shall be identified pursuant to 319.a. (5).
General Housekeeping	The MLVT shall be constructed and operated in accordance with a design package certified and sealed by a Licensed Professional Engineer either in Colorado or the state where the MLVT was designed or manufactured.
Drilling/Completion Operations	Closed Loop Drilling Systems – Pit Restrictions. Not applicable; a closed-loop system will be used for drilling.
General Housekeeping	Fencing requirements. A permanent fencing plan will be reviewed by the surface owner, & the applicant.

S/AV: _____ Comment: _____

CA: _____ Date: _____

Stormwater:

Comment:

Staking:

On Site Inspection (305):

Surface Owner Contact Information:

Name: _____ Address: _____
Phone Number: _____ Cell Phone: _____

Operator Rep. Contact Information:

Landman Name: _____ Phone Number: _____
Date Onsite Request Received: _____ Date of Rule 306 Consultation: _____

Request LGD Attendance: _____

LGD Contact Information:

Name: _____ Phone Number: _____ Agreed to Attend: _____

Summary of Landowner Issues:

Summary of Operator Response to Landowner Issues:

Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:

Facility

Facility ID: 439110 Type: WELL API Number: 123-40319 Status: DG Insp. Status: DG

Well Stimulation

Stimulation Company: Halliburton Stimulation Type: HYDRAULIC FRAC
Other: _____

Observation:

Maximum Casing Recorded: 5885 PSI Tubing: _____
Surface: 0 Intermediate: _____
Production: _____ Instantaneous Shut-In Pressure (ISIP) 6000
Bradenhead Psi: -1 Frac Flow Back: _____ Fluid: _____ Gas: _____

Environmental

Spills/Releases:

Type of Spill: _____ Description: _____ Estimated Spill Volume: _____

Comment: _____

Corrective Action: _____ Date: _____

Reportable: _____ GPS: Lat _____ Long _____

Proximity to Surface Water: _____ Depth to Ground Water: _____

Water Well:

DWR Receipt Num: _____ Owner Name: _____ GPS : _____ Lat _____ Long _____

Field Parameters:

Sample Location: _____

Inspector Name: Gomez, Jason

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: IRRIGATED

Comment: _____

1003a. Debris removed? _____ CM _____

CA _____ CA Date _____

Waste Material Onsite? _____ CM _____

CA _____ CA Date _____

Unused or unneeded equipment onsite? _____ CM _____

CA _____ CA Date _____

Pit, cellars, rat holes and other bores closed? _____ CM _____

CA _____ CA Date _____

Guy line anchors removed? _____ CM _____

CA _____ CA Date _____

Guy line anchors marked? _____ CM _____

CA _____ CA Date _____

1003b. Area no longer in use? _____ Production areas stabilized ? _____

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 REVEGETATION

Cropland

Top soil replaced _____ Recontoured _____ Perennial forage re-established _____

Non-Cropland

Top soil replaced _____ Recontoured _____ 80% Revegetation _____

1003 f. Weeds Noxious weeds? _____

Comment: _____

Overall Interim Reclamation _____

Final Reclamation/ Abandoned Location:

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

Final Land Use: IRRIGATED

Reminder: _____

Comment: _____

Inspector Name: Gomez, Jason

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 _____
 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
Berms	Pass			CM	Pass	

S/A/V: SATISFACTOR
Y Corrective Date: _____

Comment: _____
 CA: _____

Pits: NO SURFACE INDICATION OF PIT