

**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

DE	ET	OE	ES

Inspection Date:

06/05/2015

Document Number:

668703219

Overall Inspection:

**ACTION REQUIRED****FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	441853	441852	HELGELAND, GARY	<input type="checkbox"/>	

**Operator Information:**OGCC Operator Number: 10485Name of Operator: VERDAD OIL & GAS CORPORATIONAddress: 5950 CEDAR SPRINGS RD #200City: DALLAS State: TX Zip: 75235

- ☐ 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	

**Compliance Summary:**QtrQtr: NESW Sec: 29 Twp: 1N Range: 65W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
441853	WELL	XX	05/21/2015		123-41541	Highland 01N-65W-29-1N	XX	<input checked="" type="checkbox"/>

**Equipment:**Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>1</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>1</u>	Separators: <u>1</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>1</u>	Oil Tanks: <u>2</u>	Dehydrator Units: _____
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

**Location**

Emergency Contact Number (S/A/V): \_\_\_\_\_

Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

Corrective Action: \_\_\_\_\_

**Spills:**

Type	Area	Volume	Corrective action	CA Date
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☐ Multiple Spills and Releases?

<b>Venting:</b>	
Yes/No	Comment

<b>Flaring:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

**Predrill**

Location ID: 441853

**Site Preparation:**

Lease Road Adeq.: ACTION REQUIRED

Pads: ACTION REQUIRED

Soil Stockpile: ACTION REQUIRED

**S/AV:** ACTION

Corrective Action: Install stormwater BMPs on pad and lease road, Salvage topsoil,

Date: 06/19/2015

CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

Group	User	Comment	Date
OGLA	treitzr	Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42 per Rule 316C.c.	05/19/2015

**S/AV:** SATISFACTORY**Comment:****CA:****Date:****Wildlife BMPs:**

BMP Type	Comment
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.
Final Reclamation	Identification of plugged and abandoned wells. P&A'd wells shall be identified pursuant to 319.a. (5).
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.
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.
General Housekeeping	Per Rule 604c.(2).I. BOPE Testing for Drilling Operations: Upon initial rig-up, BOPE's will be tested at a minimum of every 30-days.
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.
Drilling/Completion Operations	Closed Loop Drilling Systems – Pit Restrictions. Not applicable; a closed-loop system will be used for drilling.
Dust control	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.
Traffic control	Traffic Plan: If required by the local government, a traffic plan will be coordinated with the local jurisdiction prior to commencement of operations
Material Handling and Spill Prevention	Load-lines. All load-lines shall be bull-plugged or capped.
Drilling/Completion Operations	Drill stem tests. Not applicable; no Drill Stem tests are planned.

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.
Drilling/Completion Operations	<ul style="list-style-type: none"> <li>• DUST CONTROL: Per Rule 805, Oil &amp; 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. MLVT BMPs:</li> <li>• NOISE MITIGATION: Verdad will install a sound barrier to accommodate noise.</li> <li>• 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.</li> <li>• 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.</li> </ul>
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.
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	Pit level indicators. Not applicable; a closed-loop system will be used and no pits shall be dug.
General Housekeeping	Fencing requirements. A permanent fencing plan will be reviewed by the surface owner, & the applicant.
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	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.
Drilling/Completion Operations	Guy line anchors. All guy line anchors shall be brightly marked pursuant to Rule 604.c (2)Q.
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.
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.

S/A/V: \_\_\_\_\_ **Comment:** \_\_\_\_\_CA: \_\_\_\_\_ **Date:** \_\_\_\_\_**Stormwater:**

Erosion BMPs	Present	Other BMPs	Present
BERMS	No		

S/A/V: ACTION  
REQUIREDCorrective Action: **Install stormwater BMPs** Date: **06/19/2015**Comments: Erosion BMPs: **NONE**  
Other BMPs: \_\_\_\_\_**Comment:** \_\_\_\_\_**Staking:****On Site Inspection (305):**

Surface Owner Contact Information: \_\_\_\_\_

Inspector Name: HELGELAND, GARY

Name: _____	Address: _____
Phone Number: _____	Cell Phone: _____
<u>Operator Rep. Contact Information:</u>	
Landman Name: _____	Phone Number: _____
Date Onsite Request Received: _____	Date of Rule 306 Consultation: _____
Request LGD Attendance: _____	
<u>LGD Contact Information:</u>	
Name: _____	Phone Number: _____
Agreed to Attend: _____	
<u>Summary of Landowner Issues:</u>	
_____	
<u>Summary of Operator Response to Landowner Issues:</u>	
_____	
<u>Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:</u>	
_____	

**Facility**

Facility ID: 441853	Type: WELL	API Number: 123-41541	Status: XX	Insp. Status: XX
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**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 _____
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**Field Parameters:**

Sample Location: _____
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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: DRY LAND	
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: DRY LAND

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 \_\_\_\_\_

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

S/A/V: \_\_\_\_\_ Corrective Date: \_\_\_\_\_

Comment: \_\_\_\_\_

CA: \_\_\_\_\_

**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
668703220	Location and lease road	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3624972">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3624972</a>

## **ACTION REQUIRED**

**ANY ACTION REQUIRED** items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)