

**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:
08/03/2015Document Number:
671104584Overall Inspection:
SATISFACTORY**FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	439584	439583	MONTOYA, JOHN	<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	214-728-1840	abeecherl@beecherl.com	all inspections

Compliance Summary:QtrQtr: SESE Sec: 22 Twp: 1N Range: 65W**Inspector Comment:****Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
439577	WELL	XX	10/31/2014		123-40497	Drake 01N-65W-22-1C	ND	<input checked="" type="checkbox"/>
439578	WELL	XX	10/31/2014		123-40498	Drake 01N-65W-22-7N	ND	<input checked="" type="checkbox"/>
439579	WELL	XX	10/31/2014		123-40499	Drake 01N-65W-22-2N	ND	<input checked="" type="checkbox"/>
439580	WELL	XX	10/31/2014		123-40500	Drake 01N-65W-22-6N	ND	<input checked="" type="checkbox"/>
439581	WELL	XX	10/31/2014		123-40501	Drake 01N-65W-22-3N	ND	<input checked="" type="checkbox"/>
439582	WELL	XX	10/31/2014		123-40502	Drake 01N-65W-22-9C	ND	<input checked="" type="checkbox"/>
439584	WELL	PR	06/23/2015	OW	123-40503	Drake 01N-65W-22-8N	PR	<input checked="" type="checkbox"/>
439585	WELL	XX	10/31/2014		123-40504	Drake 01N-65W-22-5C	ND	<input checked="" type="checkbox"/>
439586	WELL	XX	10/31/2014		123-40505	Drake 01N-65W-22-4N	ND	<input checked="" 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

Inspector Name: MONTOYA, JOHN

Signs/Marker:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
WELLHEAD	SATISFACTORY	SE CORNERN 40.01829W- 104.38731		
CONTAINERS	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			
BATTERY	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY Corrective Date: _____

Comment: _____

Corrective Action: _____

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

Equipment:					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Horizontal Heated Separator	1	SATISFACTORY	SE CORNERN40.01787 W-104.38760		
Gas Meter Run	1	SATISFACTORY	SE CORNERN40.01787 W-104.38760		
Emission Control Device	1	SATISFACTORY	SE CORNERN40.01787 W-104.38760		
Bird Protectors	1	SATISFACTORY	SE CORNERN40.01787 W-104.38760		

Facilities: ☐ New Tank Tank ID: _____

Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	STEEL AST	,
S/A/V: SATISFACTORY	Comment: _____			
Corrective Action:	_____			Corrective Date: _____

Paint	
Condition	Adequate
Other (Content)	_____
Other (Capacity)	_____
Other (Type)	_____

Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Metal	Adequate	Walls Sufficent	Base Sufficient	Adequate
Corrective Action	_____			Corrective Date _____

Comment				
Facilities:		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
CRUDE OIL	3	400 BBLS	STEEL AST	40.050440,-104.481710
S/A/V:	SATISFACTORY		Comment:	
Corrective Action:				Corrective Date:
Paint				
Condition	Adequate			
Other (Content)	_____			
Other (Capacity)	_____			
Other (Type)	_____			
Berms				
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Earth	Adequate	Walls Sufficient	Base Sufficient	Adequate
Corrective Action				Corrective Date
Comment				
Venting:				
Yes/No	Comment			
NO				
Flaring:				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Ignitor/Combustor	SATISFACTORY			
Predrill				
Location ID: 439584				
Site Preparation:				
Lease Road Adeq.: _____		Pads: _____	Soil Stockpile: _____	
S/A/V: _____				
Corrective Action: _____		Date: _____	CDP Num.: _____	
Form 2A COAs:				
Group	User	Comment	Date	
OGLA	andrewsd	Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42.	10/20/2014	
S/A/V: _____		Comment: _____		
CA: _____			Date: _____	
Wildlife BMPs:				
BMP Type	Comment			
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.			
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.			
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.			

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.
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.
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	Load-lines. All load-lines shall be bull-plugged or capped.
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.
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
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	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	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.
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.
Noise mitigation	Verdad will install a sound barrier to accommodate noise.
General Housekeeping	Fencing requirements. A permanent fencing plan will be reviewed by the surface owner, & the applicant.
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.
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.
Drilling/Completion Operations	Closed Loop Drilling Systems – Pit Restrictions. Not applicable; a closed-loop system will be used for drilling.
Drilling/Completion Operations	Pit level indicators. Not applicable; a closed-loop system will be used and no pits shall be dug.
Final Reclamation	Identification of plugged and abandoned wells. P&A'd wells shall be identified pursuant to 319.a.(5).
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.

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Drilling/Completion Operations	Drill stem tests. Not applicable; no Drill Stem tests are planned.
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.

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: 439577 Type: WELL API Number: 123-40497 Status: XX Insp. Status: ND

Well Drilling

Rig: Rig Name: _____ Pusher/Rig Manager: _____
Permit Posted: _____ Access Sign: _____

Well Control Equipment:

Pipe Ram: _____ Blind Ram: _____ Hydril Type: _____
Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:

Lined Pit: _____ Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
Multi-Well: _____ Disposal Location: _____

Comment:

NOT DRILLED YET

Facility ID: 439578 Type: WELL API Number: 123-40498 Status: XX Insp. Status: ND

Well Drilling

Rig: Rig Name: _____ Pusher/Rig Manager: _____

Permit Posted: _____

Access Sign: _____

Well Control Equipment:

Pipe Ram: _____

Blind Ram: _____

Hydril Type: _____

Pressure Test BOP: _____

Test Pressure PSI: _____

Safety Plan: _____

Drill Fluids**Management:**

Lined Pit: _____

Unlined Pit: _____

Closed Loop: _____

Semi-Closed Loop: _____

Multi-Well: _____

Disposal Location: _____

Comment:

NOT DRILLED YET

Facility ID: 439579 Type: WELL API Number: 123-40499 Status: XX Insp. Status: ND

Well Drilling**Rig:**

Rig Name: _____

Pusher/Rig Manager: _____

Permit Posted: _____

Access Sign: _____

Well Control Equipment:

Pipe Ram: _____

Blind Ram: _____

Hydril Type: _____

Pressure Test BOP: _____

Test Pressure PSI: _____

Safety Plan: _____

Drill Fluids**Management:**

Lined Pit: _____

Unlined Pit: _____

Closed Loop: _____

Semi-Closed Loop: _____

Multi-Well: _____

Disposal Location: _____

Comment:

NO DRILLED YET

Facility ID: 439580 Type: WELL API Number: 123-40500 Status: XX Insp. Status: ND

Well Drilling**Rig:**

Rig Name: _____

Pusher/Rig Manager: _____

Permit Posted: _____

Access Sign: _____

Well Control Equipment:

Pipe Ram: _____

Blind Ram: _____

Hydril Type: _____

Pressure Test BOP: _____

Test Pressure PSI: _____

Safety Plan: _____

Drill Fluids**Management:**

Lined Pit: _____

Unlined Pit: _____

Closed Loop: _____

Semi-Closed Loop: _____

Multi-Well: _____

Disposal Location: _____

Comment:

NOT DRILLED YET

Facility ID: 439581 Type: WELL API Number: 123-40501 Status: XX Insp. Status: ND

Well Drilling**Rig:**

Rig Name: _____

Pusher/Rig Manager: _____

Permit Posted: _____

Access Sign: _____

Well Control Equipment:

Pipe Ram: _____

Blind Ram: _____

Hydril Type: _____

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Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:

Lined Pit: _____ Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
Multi-Well: _____ Disposal Location: _____

Comment:

NOT DRILLED YET

Facility ID: 439582 Type: WELL API Number: 123-40502 Status: XX Insp. Status: ND

Well Drilling

Rig: Rig Name: _____ Pusher/Rig Manager: _____
Permit Posted: _____ Access Sign: _____

Well Control Equipment:

Pipe Ram: _____ Blind Ram: _____ Hydril Type: _____
Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:

Lined Pit: _____ Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
Multi-Well: _____ Disposal Location: _____

Comment:

NOT DRILLED YET

Facility ID: 439584 Type: WELL API Number: 123-40503 Status: PR Insp. Status: PR

Producing Well

Comment: PR

Facility ID: 439585 Type: WELL API Number: 123-40504 Status: XX Insp. Status: ND

Well Drilling

Rig: Rig Name: _____ Pusher/Rig Manager: _____
Permit Posted: _____ Access Sign: _____

Well Control Equipment:

Pipe Ram: _____ Blind Ram: _____ Hydril Type: _____
Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:

Lined Pit: _____ Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
Multi-Well: _____ Disposal Location: _____

Comment:

NOT DRILLED YET

Facility ID: 439586 Type: WELL API Number: 123-40505 Status: XX Insp. Status: ND

Well Drilling

Rig: Rig Name: _____ Pusher/Rig Manager: _____
Permit Posted: _____ Access Sign: _____

Well Control Equipment:

Pipe Ram: _____ Blind Ram: _____ Hydril Type: _____

Inspector Name: MONTOYA, JOHN

Pressure Test BOP: _____ Test Pressure PSI: _____ Safety Plan: _____

Drill Fluids Management:

Lined Pit: _____ Unlined Pit: _____ Closed Loop: _____ Semi-Closed Loop: _____
Multi-Well: _____ Disposal Location: _____

Comment:

NOT DRILLED

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: _____

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? Pass CM _____ CA _____ CA Date _____
Waste Material Onsite? Pass CM _____ CA _____ CA Date _____
Unused or unneeded equipment onsite? Pass CM _____ CA _____ CA Date _____
Pit, cellars, rat holes and other bores closed? Pass CM _____ CA _____ CA Date _____
Guy line anchors removed? Pass CM _____ CA _____ CA Date _____
Guy line anchors marked? _____ CM _____ CA _____ CA Date _____

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

1003c. Compacted areas have been cross ripped? _____

1003d. Drilling pit closed? Pass Subsidence over on drill pit? Pass

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 _____

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: _____

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
Gravel	Pass	Gravel	Pass			

S/A/V: SATISFACTOR Corrective Date: _____

Y

Comment: _____

CA: _____

Pits: ☐ NO SURFACE INDICATION OF PIT

COGCC Comments		
Comment	User	Date
well still flowing to prod seperater	montoyaj	08/03/2015