

**FORM
INSP**Rev
X/15**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:

11/30/2017

Submitted Date:

12/05/2017

Document Number:

687400362**FIELD INSPECTION FORM**

Loc ID Inspector Name: On-Site Inspection ☐
 319870 Kraich, Adam 2A Doc Num: _____

Operator Information:OGCC Operator Number: 10651Name of Operator: VERDAD RESOURCES LLCAddress: 5950 CEDAR SPRINGS ROADCity: DALLAS State: TX Zip: 75235**Status Summary:**

- ☐ THIS IS A FOLLOW UP INSPECTION
☐ FOLLOW UP INSPECTION REQUIRED
☒ NO FOLLOW UP INSPECTION REQUIRED

Findings:10 Number of Comments0 Number of Corrective Actions☐ Corrective Action Response Requested**Contact Information:**

| Contact Name | Phone | Email | Comment |
|------------------|--------------|-------------------------|---------|
| Beecherl, Arthur | 214-838-2783 | abeecherl@verdadoil.com | |
| Trueax, Kenny | | KTrueax@verdadOil.com | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|----------------|-------------|
| 201669 | WELL | SI | 07/01/2017 | GW | 001-07072 | KALLSEN 14-10X | SI |

General Comment:Within 1000' flow line NTO buffer.

Location

| | | | |
|--------------------|--|-------|--|
| Lease Road: | | | |
| Type | Access | | |
| comment: | Lease road is starting to become overgrown with weeds. | | |
| Corrective Action | L | Date: | |

Overall Good: ☐

| | | | |
|----------------------|--|-------|--|
| Signs/Marker: | | | |
| Type | | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------------|---|-------|--|
| Emergency Contact Number: | | | |
| Comment: | Well recently acquired by new operator, in process of updating asset signage. | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------------|---|-------|--|
| Good Housekeeping: | | | |
| Type | TRASH | | |
| Comment: | Location is victim to ongoing illegal dumping | | |
| Corrective Action: | | Date: | |

Overall Good: ☐

| | | | | | |
|----------------|------|--------|--|--|--|
| Spills: | | | | | |
| Type | Area | Volume | | | |

In Containment: No

Comment: ☐ Multiple Spills and Releases?

| | | | |
|--------------------|--------------|-------|--|
| Fencing/: | | | |
| Type | SEPARATOR | | |
| Comment: | Chainlink | | |
| Corrective Action: | | Date: | |
| Type | TANK BATTERY | | |
| Comment: | Chainlink | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Rod Iron | | |
| Corrective Action: | | Date: | |

| | | | |
|---------------------|-----|-------|-----------------|
| Equipment: | | | corrective date |
| Type: Plunger Lift | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Gas Meter Run | # 1 | | |
| Comment: | | | |

| | | | |
|-----------------------------------|-----|-------|--|
| Corrective Action: | | Date: | |
| Type: Horizontal Heated Separator | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |
| Type: Emission Control Device | # 1 | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Tanks and Berms:

| | | | | | | |
|--------------------|-----------------|----------|-----------|---------|--------|--|
| Contents | # | Capacity | Type | Tank ID | SE GPS | |
| CRUDE OIL | 1 | 300 BBLS | STEEL AST | | , | |
| Comment: | 10' low profile | | | | | |
| Corrective Action: | | | | | 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 | |
| Comment: | Shares berms with produced water tank. | | | | |
| Corrective Action: | | | | | Date: |

Venting:

| | | | |
|--------------------|--|-------|--|
| Yes/No | | | |
| Comment: | | | |
| Corrective Action: | | Date: | |

Flaring:

| | | |
|--------------------|--|-------|
| Type | | |
| Comment: | | |
| Corrective Action: | | Date: |

Inspected FacilitiesFacility ID: 201669 Type: WELL API Number: 001-07072 Status: SI Insp. Status: SI**Idle Well**Purpose: ☐ Shut In ☐ Temporarily Abandoned

Reminder: _____

Comment: _____

Corrective Action: _____

Date: _____

COGCC Comments

Comment

User

Date

Well commingles at battery with Kallsen 1-10 (001-09470), all tanks and surface equipment will be identified on this inspection form.

kraicha

12/05/2017

Attached DocumentsYou can go to COGCC Images (<https://cogcc.state.co.us/weblink/>) and search by document number:

| Document Num | Description | URL |
|--------------|-------------------|---|
| 687400363 | Inspection photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4318016 |