

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

Status Summary:

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

Operator Information:

OGCC Operator Number: 10651
Name of Operator: VERDAD RESOURCES LLC
Address: 5950 CEDAR SPRINGS ROAD
City: DALLAS State: TX Zip: 75235

Findings:

- 10 Number of Comments
- 0 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: | | | Date: |
| Overall Good: <input type="checkbox"/> | | | |
| Signs/Marker: | | | |
| Type | | | |
| Comment: | | | |
| Corrective Action: | | | Date: |
| Emergency Contact Number: | | | |
| Comment: | Well recently aquired 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: <input type="checkbox"/> | | | |
| Spills: | | | |
| Type | Area | Volume | |
| In Containment: No | | | |
| Comment: | | | |
| <input type="checkbox"/> 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: | | | |
| Type: Plunger Lift | # 1 | | corrective date |
| 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 Facilities

Facility 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 Documents

You 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 |