

**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:

12/18/2018

Submitted Date:

12/18/2018

Document Number:

688400923

FIELD INSPECTION FORM

Loc ID 320077 Inspector Name: Silver, Randy 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

ANY CORRECTIVE ACTION(S) FROM PREVIOUS INSPECTIONS THAT HAVE NOT BEEN ADDRESSED ARE STILL APPLICABLE

Contact Information:

| Contact Name | Phone | Email | Comment |
|------------------|--------------|--------------------------|---------------------------------|
| BEECHERL, ARTHUR | 214-728-1840 | Regulatory@verdadoil.com | all inspections |
| Gomez, Jason | | jason.gomez@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|------|--------|-------------|------------|-----------|---------------|-------------|
| 202535 | WELL | SI | 01/01/2018 | GW | 001-07940 | LEECH 1 | SI |

General Comment:

(This area is intentionally left blank for general comments.)

Location

Overall Good:

Signs/Marker:

| | | | |
|--------------------|----------------------|-------|--|
| Type | BATTERY | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |
| Type | TANK LABELS/PLACARDS | | |
| Comment: | Adequate | | |
| Corrective Action: | | Date: | |

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Overall Good:

Spills:

| Type | Area | Volume | | |
|------|------|--------|--|--|
| | | | | |

In Containment: No

Comment:

Multiple Spills and Releases?

Fencing/:

| | | | |
|--------------------|--------------|-------|--|
| Type | SEPARATOR | | |
| Comment: | Steel pipe | | |
| Corrective Action: | | Date: | |
| Type | TANK BATTERY | | |
| Comment: | Barbwire | | |
| Corrective Action: | | Date: | |
| Type | WELLHEAD | | |
| Comment: | Steel rod | | |
| Corrective Action: | | Date: | |

Equipment:

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

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

Tanks and Berms:

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|---------------------|---------|--------|
| PRODUCED WATER | 1 | OTHER | CONCRETE SUMP/VAULT | | |
| Comment: | | | | | |
| Corrective Action: | | | | | Date: |

Paint

| | |
|------------------|----------|
| Condition | Adequate |
| Other (Content) | |
| Other (Capacity) | 48BBL |
| Other (Type) | |

Berms

| Type | Capacity | Permeability (Wall) | Permeability (Base) | Maintenance |
|--------------------|--|---------------------|---------------------|-------------|
| | | | | |
| Comment: | Shares containment with crude oil tank | | | |
| Corrective Action: | | | | Date: |

| Contents | # | Capacity | Type | Tank ID | SE GPS |
|--------------------|---|----------|-----------|---------|----------------------|
| CRUDE OIL | 1 | 300 BBLs | STEEL AST | | 39.953399,104.721496 |
| Comment: | | | | | |
| 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: | | | | |
| Corrective Action: | | | | Date: |

Venting:

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

Flaring:

| | |
|------|--|
| Type | |
|------|--|

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

| | | |
|--|--|--|
| | | |
|--|--|--|

Inspected Facilities

Facility ID: 202535 Type: WELL API Number: 001-07940 Status: SI Insp. Status: SI

Idle Well

Purpose: Shut In Temporarily Abandoned Reminder: _____

Comment:

Corrective Action: Date: _____

COGCC Comments

| Comment | User | Date |
|---|---------|------------|
| This is a follow up inspection per Doc#687400480. At time of inspection all corrective actions have been addressed. | silverr | 12/18/2018 |

Attached Documents

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

| Document Num | Description | URL |
|--------------|-------------|---|
| 688400924 | loc pic | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4682380 |