

**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:

01/02/2020

Submitted Date:

01/03/2020

Document Number:

690101625

**FIELD INSPECTION FORM**Loc ID 454529 Inspector Name: Maclaren, Joe On-Site Inspection ☐ 2A Doc Num: \_\_\_\_\_**Operator Information:**

OGCC Operator Number: 10651

Name of Operator: VERDAD RESOURCES LLC

Address: 5950 CEDAR SPRINGS ROAD

City: DALLAS State: TX Zip: 75235

**Status Summary:**

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

**Findings:**

3 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
Chesson, Robert		robert.chesson@state.co.us	
		Regulatory@verdadoil.com	
Cugnetti, Mike		Mcugnetti@verdadoil.com	
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
454526	WELL	PR	06/01/2019		123-46594	BOYD 24-1H	EG
454528	WELL	PR	06/01/2019		123-46596	BOYD 24-4H	EG
470400	SPILL OR RELEASE	AC	12/30/2019		-	ARNOLD 02N-64W-24	EG

**General Comment:**

Engineering integrity inspection performed on January 2nd, 2019 in response to initial form 19 spill report Doc #402273969 received by COGCC on 12/30/2019 that outlines: The treater for the Boyd 24-4H had a gasket fail. The well was shut in and the vessel isolated to stop the leak. The spill was contained on the oil and gas location. Oil was recovered from containment and pad surface using a vacuum truck. The stained pad surface road base is being pulled up and properly disposed of.

Details of observations made during this field inspection are in the equipment and comment sections of this report. Photos uploaded.

**Location**Overall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: Overall Good: ☐**Spills:**

Type	Area	Volume		
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In Containment: No

Comment: ☐ Multiple Spills and Releases?**Equipment:**

Type: Vertical Heater Treater	#		corrective date
Comment:	See comment section of report for inspection details of equipment.		
Corrective Action:		Date:	

**Venting:**

Yes/No			
Comment:			
Corrective Action:		Date:	

**Flaring:**

Type		
Comment:		
Corrective Action:		Date:

**Inspected Facilities**

Facility ID: <u>454526</u>	Type: <u>WELL</u>	API Number: <u>123-46594</u>	Status: <u>PR</u>	Insp. Status: <u>EG</u>
Facility ID: <u>454528</u>	Type: <u>WELL</u>	API Number: <u>123-46596</u>	Status: <u>PR</u>	Insp. Status: <u>EG</u>
Facility ID: <u>470400</u>	Type: <u>SPILL OR</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>EG</u>

**COGCC Comments**

Comment	User	Date
<p>COGCC Inspector met with met with Verdad Resources South Division Foreman Joe Duckworth on location. The gasket failure was observed at the fire tube bolt up assembly on the vertical heater treater (McDonald Equipment Co) servicing the Boyd 24-4H well. The gasket appeared to have expanded up to and between the bolts (pinched between bolts at 1 O'clock position) on the access panel. Contractors were preparing to disassemble the equipment for inspection and repairs (to both the Boyd 24-4H and Boyd 24-1H using McDonald heater treaters/ relatively new equipment, wells spud Jan 2019). The cause of the gasket failure is unclear; however an over pressure event is not suspected at this time (pop off safety valves did not release). Both of the wells are currently shut in/ equipment depressurized. The failure resulted in a release of natural gas, crude oil and produced water (no fire); due to high winds the fluids migrated away from the bermed area on location in a SE direction towards the tank battery. Spill response/ remediation efforts are in progress.</p> <p>*Note: Add information below to the Corrective Action section of the supplemental form 19.</p> <p>1. Operator determination of root cause of failure (ex. compatibility issue, upset conditions)</p> <p>2. Measures taken to prevent a recurrence (gasket material change, etc)</p> <p>3. Description of repairs completed to equipment (treater(s))</p> <p>4. Integrity confirmation description (post equipment repair/ prior to return to service)</p>	maclarej	01/03/2020

**Attached Documents**

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

Document Num	Description	URL
690101627	Signage at lease road	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5027996">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5027996</a>
690101628	Heater treaters; Boyd #24-1H and Boyd #24-4H	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5027997">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5027997</a>
690101629	Failed gasket; Boyd #24-4H heater treater	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5027998">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5027998</a>
690101630	Remediation area; view SE from heater treaters	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5027999">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=5027999</a>