

**FORM  
INSP**Rev  
X/20**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:

01/24/2023

Submitted Date:

02/01/2023

Document Number:

696105695

**FIELD INSPECTION FORM**Loc ID 457136 Inspector Name: Edwardson, Dylan On-Site Inspection ☐ 2A Doc Num: \_\_\_\_\_**Operator Information:**

OGCC Operator Number: 10651

Name of Operator: VERDAD RESOURCES LLC

Address: 1125 17TH STREET SUITE 550

City: DENVER State: CO Zip: 80202

**Status Summary:**

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

**Findings:**

15 Number of Comments

5 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
,		regulatory@verdadoil.com	<a href="#">All Inspections</a>
CUGNETTI, MIKE	303-704-8856	mcugnetti@verdadoil.com	<a href="#">All Inspections</a>

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
457130	WELL	DG	10/26/2022	LO	123-47778	Rohn 1423-08H	CI
457133	WELL	PR	09/25/2019	OW	123-47780	Rohn 9-60 14A-23-3	CI
457134	WELL	PR	09/26/2019	OW	123-47781	Rohn 9-60 14A-23-1	CI
457135	WELL	DG	10/28/2022	LO	123-47782	Rohn 1423-05H	CI
457136	LOCATION	AC			-	Rohn 9-60 14A	CI
457140	WELL	DG	10/26/2022	LO	123-47786	Rohn 1423-07H	CI
457141	WELL	DG	10/29/2022	LO	123-47787	Rohn 1423-04H	CI
457142	WELL	DG	10/25/2022	LO	123-47788	Rohn 1423-09H	CI
457143	WELL	DG	10/27/2022	LO	123-47789	Rohn 1423-06H	CI

**General Comment:**

This is a Follow-up Construction and Stormwater Inspection in response to FIRR Doc #403286347 and to previous inspection Doc #696105648.

Location			
Overall Good: <input type="checkbox"/>			
<b>Signs/Marker:</b>			
Type	TANK LABELS/PLACARDS		
Comment:	Signs and NFPA labels not posted on vertical storage tanks located on the northeast portion of the location. Refer to attached inspection photos.		
Corrective Action:	Install sign to comply with Rule 605.c.	Date:	03/02/2023
Emergency Contact Number:			
Comment:			
Corrective Action:			Date: _____
<b>Good Housekeeping:</b>			
Type	DEBRIS		
Comment:	It appears the Operator has performed the previous corrective actions as outlined in Doc #696105648 as evidenced by Operator submitted photo documentation provided in FIRR (Doc #403286347). However, during this inspection debris was observed throughout the location including tumbleweed accumulations within equipment, tarp material, and other wood debris. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606 and remove debris.	Date:	02/07/2023
Type	OTHER		
Comment:	During this inspection, a hole/boring/subsidence (See photos) was observed immediately adjacent to well API 123-47788 that was approximately 4' deep or greater. Inspector used a shovel to evaluate the depth of the hole/boring/subsidence and was unable to touch the bottom. There was nothing on site to indicate an open excavation or provide warning or safety protections for both humans and wildlife.		
Corrective Action:	Operator shall immediately ensure operations are safe and will properly install safety controls for the observed hole/boring/subsidence pursuant to Rule 602.c. Corrective action date is the date the location was observed out of compliance. Through communications with the inspectors Supervisor staff was made aware of the significance of this situation on 02/01/2023 and immediate notification was made to the Operator to install safety controls.		Date: 01/24/2023
	Note: Called Mike Cugnettis (Operator) on 02/01/2023 for notification purposes to backfill the open excavation.		
Type	UNUSED EQUIPMENT		
Comment:	Unused equipment (e.g. flatbed trailer and road maintainer/drag) observed on location. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606 and remove any unused equipment.	Date:	02/15/2023
Overall Good: <input type="checkbox"/>			
<b>Spills:</b>			
Type	Area	Volume	
Other			
Comment:	Oil stained soil observed near wellhead and unidentified material within containment area of vertical storage tanks. Refer to attached inspection photos.		
Corrective Action:	Control and contain spills/releases and clean up per Rule 912.a. Free fluids must be removed by EOB 02/02/2023 and stained soil must be cleaned up by CA date.		Date: 03/02/2023
In Containment: No			
Comment:			
<input type="checkbox"/> Multiple Spills and Releases?			
<b>Venting:</b>			
Yes/No			

Comment:			
Corrective Action:		Date:	
<b>Flaring:</b>			
Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities									
Facility ID:	<u>457130</u>	Type:	<u>WELL</u>	API Number:	<u>123-47778</u>	Status:	<u>DG</u>	Insp. Status:	<u>CI</u>
Facility ID:	<u>457133</u>	Type:	<u>WELL</u>	API Number:	<u>123-47780</u>	Status:	<u>PR</u>	Insp. Status:	<u>CI</u>
Facility ID:	<u>457134</u>	Type:	<u>WELL</u>	API Number:	<u>123-47781</u>	Status:	<u>PR</u>	Insp. Status:	<u>CI</u>
Facility ID:	<u>457135</u>	Type:	<u>WELL</u>	API Number:	<u>123-47782</u>	Status:	<u>DG</u>	Insp. Status:	<u>CI</u>
Facility ID:	<u>457136</u>	Type:	<u>LOCATION</u>	API Number:	<u>-</u>	Status:	<u>AC</u>	Insp. Status:	<u>CI</u>
Facility ID:	<u>457140</u>	Type:	<u>WELL</u>	API Number:	<u>123-47786</u>	Status:	<u>DG</u>	Insp. Status:	<u>CI</u>
Facility ID:	<u>457141</u>	Type:	<u>WELL</u>	API Number:	<u>123-47787</u>	Status:	<u>DG</u>	Insp. Status:	<u>CI</u>
Facility ID:	<u>457142</u>	Type:	<u>WELL</u>	API Number:	<u>123-47788</u>	Status:	<u>DG</u>	Insp. Status:	<u>CI</u>
Facility ID:	<u>457143</u>	Type:	<u>WELL</u>	API Number:	<u>123-47789</u>	Status:	<u>DG</u>	Insp. Status:	<u>CI</u>

**Reclamation - Storm Water - Pit****Interim Reclamation:**

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: RANGELAND

Comment: \_\_\_\_\_

**1002 SITE PREPARATION AND STABILIZATION**

1002a. FENCING \_\_\_\_\_ Pass \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1002b. SOIL REMOVAL AND SEGREGATION \_\_\_\_\_ Pass \_\_\_\_\_

Comment \_\_\_\_\_

Appears topsoil was salvaged and stored along the eastern perimeter of the location in compliance with Rule 1002.b.

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1002c. PROTECTION OF SOILS \_\_\_\_\_ Pass \_\_\_\_\_

Comment \_\_\_\_\_

Topsoil appears to have been stabilized with evidence of drill rows and crimped straw mulch.

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1002E. SURFACE DISTURBANCE MINIMIZATION \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1003a. Waste and Debris removed? \_\_\_\_\_

Comment \_\_\_\_\_

See "Good Housekeeping" section comments.

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

Unused or unneeded equipment onsite? \_\_\_\_\_

Comment \_\_\_\_\_

See "Good Housekeeping" section comments.

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

Pit, cellars, rat holes and other bores closed? \_\_\_\_\_

Comment \_\_\_\_\_

See "Good Housekeeping" section.

Corrective Action \_\_\_\_\_

Date **02/16/2023**

Guy line anchors marked? \_\_\_\_\_

Comment \_\_\_\_\_

Corrective Action \_\_\_\_\_

Date \_\_\_\_\_

1003b. Area no longer in use? \_\_\_\_\_ Production areas stabilized ? \_\_\_\_\_

1003c. Compacted areas have been cross ripped? \_\_\_\_\_

1003d. Drilling pit closed? \_\_\_\_\_ Subsidence over on drill pit? \_\_\_\_\_

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 REVEGETATION**Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ 80% Revegetation \_\_\_\_\_

## 1003e. INTERIM VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% \_\_\_\_\_

TRANSECT RESULTS OF REFERENCE AREA% \_\_\_\_\_

TOTAL % OF DESIRABLE VEGETATION COVER \_\_\_\_\_

VEGETATIVE COVER \_\_\_\_\_

1003 f. Weeds Noxious weeds? \_\_\_\_\_

Comment Operator shall comply with interim reclamation timing requirements.

Corrective Action \_\_\_\_\_ Date \_\_\_\_\_

Overall Interim Reclamation

**Final Reclamation/ Abandoned Location:**

Date Final Reclamation Started: \_\_\_\_\_ Date Final Reclamation Completed: \_\_\_\_\_

Final Land Use: RANGELAND

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 \_\_\_\_\_

## 1004.d. FINAL VEGETATION TRANSECT

TRANSECT RESULTS OF DISTURBED AREA% \_\_\_\_\_

TRANSECT RESULTS OF REFERENCE AREA% \_\_\_\_\_

TOTAL % OF DESIRABLE VEGETATION COVER \_\_\_\_\_

VEGETATIVE COVER \_\_\_\_\_

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

Comment: At the time of this inspection, no stormwater erosion issues were observed at location or along the access road.

Corrective Action:

Date: \_\_\_\_\_

**Pits:** ☐ NO SURFACE INDICATION OF PIT

**Attached Documents**

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

Document Num	Description	URL
696105711	Inspection Photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6006299">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6006299</a>