

**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:

02/10/2023

Submitted Date:

02/10/2023

Document Number:

696105732

FIELD INSPECTION FORM

Loc ID 432694 Inspector Name: Edwardson, Dylan 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: 1125 17TH STREET SUITE 550
City: DENVER State: CO Zip: 80202

Findings:

- 8 Number of Comments
- 2 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
Cugnetti, Mike		Mcugnetti@verdadoil.com	
,		regulatory@verdadoil.com	All Inspections

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
432694	LOCATION	AC			-	Shull 1-35-9-60 PAD	RI
432695	WELL	PR	08/01/2019	OW	123-37237	Shull 2-35-9-60	RI
432697	WELL	PR	09/01/2019	OW	123-37239	Shull 1-35-9-60	RI
438512	WELL	PR	05/01/2021	OW	123-40028	Shull 3-35-9-60	RI

General Comment:

This is a follow-up Interim Reclamation and Stormwater Inspection for Location #432694. This inspection is also in response to an operator submitted FIRR (Doc #403314341). Refer to previous inspection (Doc #696105694) for additional information.

Location			
Overall Good: <input type="checkbox"/>			
Emergency Contact Number:			
Comment:			Date: _____
Corrective Action:			
Good Housekeeping:			
Type	TRASH		
Comment:	The previous corrective action from inspection (Doc #696105694) has been completed.		
Corrective Action:			Date:
Type	UNUSED EQUIPMENT		
Comment:	The previous corrective action from inspection (Doc #696105694) has been completed. Staff contacted the Operator on 02/10/2023 about pipe next to wellhead and was informed that pipe and cattle panels would be installed following fracking at neighboring location (#466345).		
Corrective Action:			Date:
Type	WEEDS		
Comment:	The previous corrective action from inspection (Doc #696105694) has been completed.		
Corrective Action:			Date:
Overall Good: <input type="checkbox"/>			
Spills:			
Type	Area	Volume	
Other		<= 1 bbl	
Comment:	Operator submitted attachment (Doc#403314394) with the FIRR showing that the antifreeze had been cleaned up, illustrating compliance with the corrective action from the previous inspection. However, during this inspection Staff observed that there was still antifreeze within the compressor station engine skid unit. Staff believes there might be a leak on the engine's radiator and informed the Operator on 02/10/2023 that antifreeze was still on the unit and needed to be cleaned up again. Operator (M. Cugnetti) informed Staff that they would have it cleaned up ASAP.		
Corrective Action:	Control and contain spills/releases and clean up per Rule 912.a. Operator shall include photo documentation when submitting the FIRR.		Date: <u>02/11/2023</u>
In Containment: No _____			
Comment:	The previous corrective action from inspection (Doc #696105694) has been completed. The tank has been removed and the stained soil has been cleaned up.		
<input type="checkbox"/> Multiple Spills and Releases?			
Fencing/:			
Type			
Comment:	Operator informed staff on a phone call (02/10/2023) that they had installed wildlife protection devices around the opening of the compressor station while they cleaned up the antifreeze on the engine skid. Due to recent antifreeze leak observed during this inspection, the Operator will have to re-install a barrier to prevent and exclude wildlife contact until the spill has been properly cleaned up.		
Corrective Action:	Install or repair wildlife protection equipment per Rule 902.b. Operator shall install temporary exclusion devices (e.g. snow fence or similar) to exclude wildlife from coming in contact with antifreeze immediately and consider a more permanent exclusion device to prevent future contact. Operator shall include photo documentation when submitting the FIRR.		Date: <u>02/11/2023</u>
Venting:			
Yes/No			

Comment:			
Corrective Action:		Date:	

Flaring:

Type			
Comment:			
Corrective Action:		Date:	

Inspected Facilities

Facility ID: 432694 Type: LOCATION API Number: - Status: AC Insp. Status: RI

Facility ID: 432695 Type: WELL API Number: 123-37237 Status: PR Insp. Status: RI

Facility ID: 432697 Type: WELL API Number: 123-37239 Status: PR Insp. Status: RI

Facility ID: 438512 Type: WELL API Number: 123-40028 Status: PR Insp. Status: RI

Reclamation - Storm Water - Pit

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 erosion issues were observed at location or along the access road.

Operator shall continue to monitor and manage this site for stormwater run on and runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation until the facility is abandoned and final reclamation is achieved pursuant to Rule 1004.

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
403318617	INSPECTION SUBMITTED	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6017152
696105733	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6017121