



**COLORADO**

**Oil & Gas Conservation  
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801  
Denver, CO 80203

[www.colorado.gov/cogcc](http://www.colorado.gov/cogcc)

## **OUTCOME NOTICE for WARNING LETTER # 403377537**

05/02/2023

VERDAD RESOURCES LLC (# 10651)

MIKE CUGNETTI

[mcugnetti@verdadresources.com](mailto:mcugnetti@verdadresources.com)

1125 17TH STREET SUITE 550

DENVER, CO 80202

Re: Warning Letter # 403377537

Date Issued 04/19/2023

SWSW, 7, 1S, 65W, ADAMS

**This Outcome Notice is to inform you of the status of the violation(s) alleged in the above referenced Warning Letter.**

### **Alleged Violation(s) and Required Corrective Action(s):**

#### 912.b. Reporting Spills or Releases of E&P Waste, Gas, or Produced Fluids

Violation Date: 04/04/2023

Violation Discovery Date: 04/14/2023

Description of Alleged Violation: Per Document number 403374468 and Adams County correspondance, Operator discovered a historical spill on 4/3/2022. Operator did not provide COGCC notice of this spill in accordance with Rule 912.b.(1) or 912.b.(4).

Required Corrective Action: Operator shall conduct an internal audit of its current Spill/Release Reporting, LGD Notification, and Surface Owner Notification procedures to ensure ongoing compliance with Rule 912 reporting requirements.

Operator shall provide an overview of its current Spill/Release Reporting, LGD Notification, and Surface Owner Notification procedures including any changes that have been made in response to this warning letter to the COGCC via an eForm 4 Sundry Notice to Area EPS Chris Canfield within 60 days of the issuance of this warning letter.

Future violations of Rule 912 reporting requirements may result in the issuance of a Notice of Alleged Violation (NOAV).

Corrective Action Deadline Date: 04/29/2023

Corrective Action Performed by Operator

Description: Operator submitted Form 4 Document #403387903 on 4/28/2023 with attached spill reporting Procedures and an audit of recent projects.



**COLORADO**

**Oil & Gas Conservation  
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801  
Denver, CO 80203

[www.colorado.gov/cogcc](http://www.colorado.gov/cogcc)

Operator provided an email to Nikki Graber (attached) on 4/28/2023 detailing corrective actions completed as response to the warning letter. These actions included an internal audit of recent projects, and the spill reporting procedures. During the audit, Operator identified an additional spill that was not reported in accordance with Rule 912.b. Operator has reported this spill under Form 19 Document #403388392 on 4/28/2023.

Completion Date: 04/28/2023

### **Outcome of Warning Letter # 403377537: No Further Action Required**

Operator provided spill reporting procedures and audit demonstrates Operator has identified and rectified the misunderstanding that led to non-compliance with Rule 912.

### **Other Violations:**

If COGCC has reasonable cause to believe that VERDAD RESOURCES LLC has additional violations not addressed through the above referenced Warning Letter, the COGCC may issue a Notice of Alleged Violation and seek penalties pursuant to

§ 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. COGCC may or may not elect to issue Warning Letters for additional instances of non-compliance based on the guidance of the COGCC Enforcement Guidance and Penalty Policy (Corrected 4/8/2015) and COGCC Rules.

Sincerely,

Nikki Graber  
DJ Basin Environmental Su  
(970) 250-0543x  
[nikki.graber@state.co.us](mailto:nikki.graber@state.co.us)

### **Attachments**

View Attachments in Imaged Documents on COGCC website <http://ogccweblink.state.co.us/> Search by Document Number.

### **Document Number    Description**

403377537	WARNING LETTER OUTCOME NOTICE
403377563	WARNING LETTER DOCUMENTATION
403386888	WARNING LETTER ISSUED
403390928	WARNING LETTER OUTCOME DOCUMENTATION
403390931	WARNING LETTER OUTCOME DOCUMENTATION

Total Attach: 5 Files