

**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:

09/06/2023

Submitted Date:

09/15/2023

Document Number:

708200545

FIELD INSPECTION FORMLoc ID 481827 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:

12 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
CUGNETTI, MIKE	303-704-8856	mcugnetti@verdadoil.com	All Inspections
,		regulatory@verdadoil.com	All Inspections
		logan.hansen@state.co.us	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
481827	LOCATION	AC			-	Peanut Fed 3403	CI
482529	WELL	DG	07/11/2023	LO	123-51742	Peanut Fed 3403 04H	CI
482530	WELL	DG	07/10/2023	LO	123-51743	Peanut Fed 3403 05H	CI
482531	WELL	DG	07/12/2023	LO	123-51744	Peanut Fed 3403 03H	CI
482532	WELL	DG	07/13/2023	LO	123-51745	Peanut Fed 3403 02H	CI
482533	WELL	DG	07/14/2023	LO	123-51746	Peanut Fed 3403 01H	CI

General Comment:

This is a follow-up Construction and Stormwater Inspection to previous Field Inspection Report (doc #708200271).

LocationOverall Good: ☐

Emergency Contact Number:

Comment:

Corrective Action:

Date: _____

Good Housekeeping:

Type	TRASH		
Comment:	Trash was observed on the southern portion of the location with evidence that trash has blown off location. Refer to attached inspection photos.		
Corrective Action:	Comply with Rule 606. Location will remain out of compliance until the corrective action has been resolved.		Date: <u>09/06/2023</u>
Type	OTHER		
Comment:	At the time of this inspection, Staff observed fugitive dust originating from vehicle traffic on the access road. Staff immediately contacted the Operator to inform of fugitive dust issue. This compliance issue was previously documented in FIR (Doc #708200224). Refer to attached inspection photos.		
Corrective Action:	Take actions to control fugitive dust per Rule 427.c. Corrective action date is the date the location was observed out of compliance.		Date: <u>09/06/2023</u>

Overall Good: ☐**Spills:**

Type	Area	Volume		
Comment:	Stained soils were observed throughout the production areas. Staff immediately contacted the Operator to inform of stained soil issues and advised the Operator to follow 900 Series Rules if spill is reportable.			
Corrective Action:	Properly dispose of oily waste in accordance with 905.e and contact area ECMC EPS staff. Provide detailed documentation of stained soils (e.g. source, quantity, disposal process, etc) within FIRR. Location will remain out of compliance until the corrective action has been resolved.			Date: <u>09/06/2023</u>

In Containment: No

Comment:

☐ Multiple Spills and Releases?**Venting:**

Yes/No			
Comment:			
Corrective Action:		Date:	

Flaring:

Type		
Comment:		
Corrective Action:		Date:

Inspected Facilities				
Facility ID: <u>481827</u>	Type: <u>LOCATION</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>CI</u>
Facility ID: <u>482529</u>	Type: <u>WELL</u>	API Number: <u>123-51742</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>482530</u>	Type: <u>WELL</u>	API Number: <u>123-51743</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>482531</u>	Type: <u>WELL</u>	API Number: <u>123-51744</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>482532</u>	Type: <u>WELL</u>	API Number: <u>123-51745</u>	Status: <u>DG</u>	Insp. Status: <u>CI</u>
Facility ID: <u>482533</u>	Type: <u>WELL</u>	API Number: <u>123-51746</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 _____ Fail _____

Comment _____

This location does not comply with Rule 1002.c. During this inspection, Staff observed that the areas not needed for active drilling operations have been seeded with an annual crop (e.g. triticale). An annual crop species is not suitable for long term stabilization and is also not reflective of adjacent reference areas. Additionally, portions of the location do not have uniform vegetative cover resulting in areas of bare/exposed soils. Additional stabilization techniques are required to ensure that exposed soils are protected against wind and water erosion degradation.

Corrective Action _____

Comply with Rule 1002.c. Location will remain out of compliance until the corrective action has been resolved.

Date **09/06/2023**

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 _____

Corrective Action _____

Date _____

Pit, cellars, rat holes and other bores closed? _____

Comment _____

Corrective Action _____

Date _____

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 REVEGETATIONCropland

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
<p>Comment: This location does not comply with Rule 1002.f. During this inspection, Staff observed that erosion degradation is occurring throughout the location. Rill and gully erosion is evident on cut slopes and the sediment basin, potentially resulting from unstabilized soils or inadequate stormwater control measures/BMPs. Sediment control logs placed within the perimeter ditch are beginning to degrade or are being undercut. Implementation of additional stormwater controls or repair/maintenance of existing BMPs is required. Refer to attached inspection photos.</p> <p>Corrective Action: Comply with Rule 1002.f. Location will remain out of compliance until the corrective action has been resolved.</p> <p>Date: 09/06/2023</p> <p>Pits: <input type="checkbox"/> NO SURFACE INDICATION OF PIT</p>						

COGCC Comments

Comment	User	Date
Per Rule 1002.f., oil and gas operators shall implement and maintain Best Management Practices (BMPs) at all oil and gas locations to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. BMPs shall be maintained until the facility is abandoned and final reclamation is achieved pursuant to Rule 1004. Operators shall employ BMPs, as necessary to comply with this rule, at all oil and gas locations, including, but not limited to, well pads, soil stock piles, access roads, tank batteries, compressor stations, and pipeline rights of way. BMPs shall be selected based on site specific conditions, such as slope, vegetation cover, and proximity to water bodies, and may include maintaining in-place some or all of the BMPs installed during the construction phase of the facility. Where applicable based on site-specific conditions, operators shall implement BMPs in accordance with good engineering practices.	edwardsond	09/15/2023

Attached Documents

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

Document Num	Description	URL
708200558	Inspection Photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6253236