

**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:

02/07/2024

Submitted Date:

02/16/2024

Document Number:

709100211**FIELD INSPECTION FORM**Loc ID 466345 Inspector Name: Heibel, Krystal On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**OGCC Operator Number: 10651Name of Operator: VERDAD RESOURCES LLCAddress: 1125 17TH STREET SUITE 550City: DENVER State: CO Zip: 80202**Status Summary:**

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

Findings:11 Number of Comments8 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@verdadresources.com	
		Regulatory@verdadoil.com	ALL INSPECTIONS
Kyle Waggoner		kyle.waggoner@state.co.us	
Krystal Heibel		krystal.heibel@state.co.us	
Cugnetti, Mike		mcugnetti@verdadresources.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
466340	WELL	PR	06/07/2023	OW	123-50303	Boydston 3535-08H	EI
466341	WELL	PR	03/01/2023	OW	123-50304	Boydston 3535 01H	EI
466342	WELL	PR	03/01/2023	OW	123-50305	Boydston 3535-05H	EI
466343	WELL	PR	03/01/2023	OW	123-50306	Boydston 3535-02H	EI
466344	WELL	PR	06/07/2023	OW	123-50307	Boydston 3535-06H	EI
466345	LOCATION	AC			-	Boydston 3535	EI
466346	WELL	PR	03/01/2023	OW	123-50308	Boydston 3535-04H	EI
466347	WELL	PR	03/01/2023	OW	123-50309	Boydston 3535-03H	EI

General Comment:

This is an environmental inspection for the Boydston 3535 (Facility ID: 466345). On February 7, 2024, at approx. 10 AM, ECMC Environmental Unit Staff Krystal Heibel inspected this facility.

Operator submitted a Form 22 (Doc #403652812) on Jan 12, 2024, reporting a fire at the compressor. During the inspection, the damaged compressor was removed and 3rd-party contractors were on-site to install the new compressor.

This is an environmental inspection. Any corrective actions from previous inspections that have not been addressed are still applicable.

LocationOverall Good: ☐

Emergency Contact Number:

Comment: Accurate emergency contact number posted on signage.

Corrective Action:

Date: _____

Good Housekeeping:

Type	TRASH		
Comment:	Trash (netting, pipe, damaged metal on a flatbed trailer, cloths) observed on location.		
Corrective Action:	Comply with Rule 606	Date:	<u>03/16/2024</u>
Type	WEEDS		
Comment:	Weeds observed within wellhead areas.		
Corrective Action:	Comply with Rule 606.	Date:	<u>02/23/2024</u>
Type	STORAGE OF SUPL		
Comment:	Unused equipment (secondary container bins, chemical storage tanks) observed on location.		
Corrective Action:	Comply with Rule 606	Date:	<u>03/16/2024</u>

Overall Good: ☐**Spills:**

Type	Area	Volume		
Other	Treater			
Comment:	At time of inspection, Staff observed hydrocarbons along the side of the treater, on the cement base, and on adjacent soils.			
Corrective Action:	Report spill or release of E&P waste or produced fluids. Remove free fluids and contact ECMC EPS staff per Rule 912.b. 24 hours to remove free fluids. 24 hours for notification and 72 hours for Initial Form 19 Report. Form 19I shall be submitted by EOB 02/17/2024.			Date: <u>02/17/2024</u>
Crude Oil	WELLHEAD	<= 1 bbl		
Comment:	Hydrocarbon stained soil observed under pipe of the Boydston 3535-02H wellhead.			
Corrective Action:	Control and contain spills/releases and clean up per Rule 912.a.			Date: <u>03/16/2024</u>
Other				
Comment:	Staff observed hydrocarbon stained soil with the footprint of the former compressor.			
Corrective Action:	Control and contain spills/releases and clean up per Rule 912.a. Operator shall submit photo documentation of the remediated area.			Date: <u>03/16/2024</u>

In Containment: No

Comment:

☒ Multiple Spills and Releases?**Tanks and Berms:**

Contents	#	Capacity	Type	Tank ID	SE GPS	
Comment:						
Corrective Action:					Date:	

Paint

Condition

Other (Content)	
Other (Capacity)	
Other (Type)	

Berms

Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance
Comment:	Burrows observed under secondary containment.			
Corrective Action:	Repair or install berms or other secondary containment devices per Rule 603.o.			Date: 04/13/2024

Venting:

Yes/No		
Comment:		
Corrective Action:		Date:

Flaring:

Type	
Comment:	
Corrective Action:	Date:

Inspected Facilities									
Facility ID:	466340	Type:	WELL	API Number:	123-50303	Status:	PR	Insp. Status:	EI
Facility ID:	466341	Type:	WELL	API Number:	123-50304	Status:	PR	Insp. Status:	EI
Facility ID:	466342	Type:	WELL	API Number:	123-50305	Status:	PR	Insp. Status:	EI
Facility ID:	466343	Type:	WELL	API Number:	123-50306	Status:	PR	Insp. Status:	EI
Facility ID:	466344	Type:	WELL	API Number:	123-50307	Status:	PR	Insp. Status:	EI
Facility ID:	466345	Type:	LOCATION	API Number:	-	Status:	AC	Insp. Status:	EI
Facility ID:	466346	Type:	WELL	API Number:	123-50308	Status:	PR	Insp. Status:	EI
Facility ID:	466347	Type:	WELL	API Number:	123-50309	Status:	PR	Insp. Status:	EI

Environmental**Waste Management:**

Type	Management	Condition	GPS (Lat) (Long)	
Oily Soil	Piles	Inadequate	40.712788	-104.067487
Comment	Impacted soil stockpiled on top of a liner. Impacted soils not covered or stored in manner to minimize contact with precipitation or stormwater.			
Corrective Action	Implement BMP following good engineering practices to minimize contact with stormwater and precipitation.			Date: 02/21/2024

Spill/Remediation:

Comment:				
Corrective Action:				Date: _____

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

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

Document Num	Description	URL
709100212	photos	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6432308