

**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 |
|----------------|-------|--------------------------------|-----------------|
| Krystal Heibel | | krystal.heibel@state.co.us | |
| Cugnetti, Mike | | mcugnetti@verdadresources.com | |
| Kyle Waggoner | | kyle.waggoner@state.co.us | |
| , | | Regulatory@verdadoil.com | ALL INSPECTIONS |
| | | Regulatory@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 | WEEDS | | |
| Comment: | <u>Weeds observed within wellhead areas.</u> | | |
| Corrective Action: | <u>Comply with Rule 606.</u> | | Date: <u>02/23/2024</u> |
| Type | STORAGE OF SUPL | | |
| Comment: | <u>Unused equipment (secondary container bins, chemical storage tanks) observed on location.</u> | | |
| Corrective Action: | <u>Comply with Rule 606</u> | | Date: <u>03/16/2024</u> |
| Type | TRASH | | |
| Comment: | <u>Trash (netting, pipe, damaged metal on a flatbed trailer, cloths) observed on location.</u> | | |
| Corrective Action: | <u>Comply with Rule 606</u> | | Date: <u>03/16/2024</u> |

Overall Good: ☐**Spills:**

| | | | | |
|--------------------|---|----------|--|-------------------------|
| Type | Area | Volume | | |
| Crude Oil | WELLHEAD | <= 1 bbl | | |
| Comment: | <u>Hydrocarbon stained soil observed under pipe of the Boydston 3535-02H wellhead.</u> | | | |
| Corrective Action: | <u>Control and contain spills/releases and clean up per Rule 912.a.</u> | | | Date: <u>03/16/2024</u> |
| Other | | | | |
| Comment: | <u>Staff observed hydrocarbon stained soil with the footprint of the former compressor.</u> | | | |
| Corrective Action: | <u>Control and contain spills/releases and clean up per Rule 912.a. Operator shall submit photo documentation of the remediated area.</u> | | | Date: <u>03/16/2024</u> |
| Other | Treater | | | |
| Comment: | <u>At time of inspection, Staff observed hydrocarbons along the side of the treater, on the cement base, and on adjacent soils.</u> | | | |
| Corrective Action: | <u>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.</u> | | | Date: <u>02/17/2024</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: | <u>466340</u> | Type: | <u>WELL</u> | API Number: | <u>123-50303</u> | Status: | <u>PR</u> | Insp. Status: | <u>EI</u> |
| Facility ID: | <u>466341</u> | Type: | <u>WELL</u> | API Number: | <u>123-50304</u> | Status: | <u>PR</u> | Insp. Status: | <u>EI</u> |
| Facility ID: | <u>466342</u> | Type: | <u>WELL</u> | API Number: | <u>123-50305</u> | Status: | <u>PR</u> | Insp. Status: | <u>EI</u> |
| Facility ID: | <u>466343</u> | Type: | <u>WELL</u> | API Number: | <u>123-50306</u> | Status: | <u>PR</u> | Insp. Status: | <u>EI</u> |
| Facility ID: | <u>466344</u> | Type: | <u>WELL</u> | API Number: | <u>123-50307</u> | Status: | <u>PR</u> | Insp. Status: | <u>EI</u> |
| Facility ID: | <u>466345</u> | Type: | <u>LOCATION</u> | API Number: | <u>-</u> | Status: | <u>AC</u> | Insp. Status: | <u>EI</u> |
| Facility ID: | <u>466346</u> | Type: | <u>WELL</u> | API Number: | <u>123-50308</u> | Status: | <u>PR</u> | Insp. Status: | <u>EI</u> |
| Facility ID: | <u>466347</u> | Type: | <u>WELL</u> | API Number: | <u>123-50309</u> | Status: | <u>PR</u> | Insp. Status: | <u>EI</u> |

| 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 Documents | | | | |
| You can go to COGCC Images (https://cogcc.state.co.us/weblink/) and search by document number: | | | | |
| Document Num | Description | URL | | |
| 403690217 | INSPECTION SUBMITTED | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6432322 | | |
| 709100212 | photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6432308 | | |