

**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:

10/23/2024

Submitted Date:

10/28/2024

Document Number:

713901130

FIELD INSPECTION FORMLoc ID 483467 Inspector Name: Hansen, Logan On-Site Inspection ☐ 2A Doc Num: _____**Operator Information:**

ECMC 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:

7 Number of Comments

4 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
		mcugnetti@verdadoil.com	
		Regulatory@verdadoil.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
479849	WELL	PR	10/01/2023	OW	123-52006	Kiwi 2929 09H	RI
479856	WELL	PR	10/01/2023	OW	123-52007	Kiwi 2929 05H	RI
483467	LOCATION	AC			-	Kiwi 2920	RI
483737	WELL	PR	10/01/2023	OW	123-52008	Kiwi 2929 07H	RI
483738	WELL	PR	10/01/2023	OW	123-52009	Kiwi 2920 03H	RI
483739	WELL	PR	10/01/2023	OW	123-52010	Kiwi 2920 04H	RI
483740	WELL	PR	10/01/2023	OW	123-52011	Kiwi 2929 08H	RI
483741	WELL	PR	10/01/2023	OW	123-52012	Kiwi 2920 02H	RI
483742	WELL	PR	10/01/2023	OW	123-52013	Kiwi 2920 01H	RI
483743	WELL	PR	10/01/2023	OW	123-52014	Kiwi 2929 06H	RI

General Comment:

This is an Interim Reclamation and Stormwater Inspection.

Location			
Overall Good: <input type="checkbox"/>			
Emergency Contact Number:			
Comment:			
Corrective Action:		Date: _____	
Good Housekeeping:			
Type			
Comment:	Wellhead cellars were not covered by a wildlife protection device. See inspection photos.		
Corrective Action:	Install wildlife protection per Rule 608.		Date: 11/02/2024
Type			
Comment:	Wildlife protection on secondary containment has not been installed. See inspection photos.		
Corrective Action:	Comply with Rule 608.		Date: 11/02/2024
Type			
Comment:	At the time of inspection two wellhead cellars, and two small secondary containments were partially full of unknown liquids. See inspection photos.		
Corrective Action:	Cleanup fluids in secondary containment per Rule 1002.		Date: 11/02/2024
Type			
Comment:	Stained soil was observed around wellheads and skid equipment. See inspection photos.		
Corrective Action:	Conduct maintenance on equipment and cleanup stained material per Rule 1002.		Date: 11/02/2024
Overall Good: <input type="checkbox"/>			
Spills:			
Type	Area	Volume	
In Containment: No			
Comment: _____			
<input type="checkbox"/> Multiple Spills and Releases?			
Venting:			
Yes/No			
Comment:			
Corrective Action:			Date: _____
Flaring:			
Type			
Comment:			
Corrective Action:			Date: _____

Reclamation - Storm Water - Pit

Interim Reclamation:

Date Interim Reclamation Started: _____ Date Interim Reclamation Completed: _____

Land Use: IRRIGATED

Comment: _____

1002 SITE PREPARATION AND STABILIZATION

1002a. FENCING _____

Comment _____

Corrective Action _____ Date _____

1002b. SOIL REMOVAL AND SEGREGATION _____

Comment _____

Corrective Action _____ Date _____

1002c. PROTECTION OF SOILS _____

Comment _____

Corrective Action _____ Date _____

1002E. SURFACE DISTURBANCE MINIMIZATION _____

Comment _____

Corrective Action _____ Date _____

1003a. Waste and Debris removed? _____

Comment _____

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 The location is within cropland but reference crop areas are currently fallow. The location will remain in-process and will have to be inspected during the active crop growing season to make an accurate assessment of vegetative conditions to ensure compliance per Rule 1003 standards.

Operator shall continue to monitor and manage this site until the location meets Rule 1003 standards, including stormwater and weed management. Operator shall submit a Form 4 Interim Reclamation Complete notice when the location meets Rule 1003 standards. ECMC may conduct inspections prior to receiving said notice to ensure compliance with Rule 1003.

Corrective Action _____ Date _____

Overall Interim Reclamation In Process

Final Reclamation/ Abandoned Location:

Date Final Reclamation Started: _____ Date Final Reclamation Completed: _____

Final Land Use: IRRIGATED _____

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

Comment: At the time of this inspection, no erosion issues were observed at the location or along the access road. However, very steep slopes along the boundaries of the production pad should be stabilized more adequately with a stormwater BMP applied to the slope itself and establishment of vegetation.

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 ECMC Images (<https://ecmc.state.co.us/weblink/>) and search by document number:

Document Num	Description	URL
403973076	INSPECTION SUBMITTED	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6764028
713901131	Inspection photos	https://ecmc.state.co.us/weblink/DownloadDocumentPDF.aspx?DocumentId=6764024