

**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:

05/17/2023

Submitted Date:

05/19/2023

Document Number:

708200264

**FIELD INSPECTION FORM**
 Loc ID 432694 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:**

8 Number of Comments

3 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@verdadoil.com	<a href="#">All Inspections</a>
CUGNETTI, MIKE	303-704-8856	mcugnetti@verdadoil.com	<a href="#">All Inspections</a>
Heibel, Krystal		krystal.heibel@state.co.us	

**Inspected Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
432694	LOCATION	AC			-	Shull 1-35-9-60 PAD	RI
432695	WELL	SI	02/01/2023	OW	123-37237	Shull 2-35-9-60	RI
432697	WELL	SI	02/01/2023	OW	123-37239	Shull 1-35-9-60	RI
438512	WELL	SI	02/01/2023	OW	123-40028	Shull 3-35-9-60	RI

**General Comment:**

This is an Interim Reclamation and Stormwater Inspection for Location ID 432694. This is also a follow-up inspection to FIR (doc #708200079) and FIRR (doc #403379517).

**Location**Overall Good: ☐

Emergency Contact Number:

Comment: Corrective Action: Date: **Good Housekeeping:**

Type	OTHER		
Comment:	Operator provided photos (doc #403379566) in FIRR of cleanup efforts on the engine skid and stated that antifreeze has been drained from the equipment. During this inspection, Staff observed unknown fluid within the engine skid containment and is uncertain if the fluid is from recent rain events mixing with residual chemicals in the containment or if the source of fluid is from mechanical failure of the equipment. Previous CA required operator to clean up materials (which appears to have been performed) AND inspect equipment integrity, which was not documented within the FIRR. Therefore, this corrective action has not been addressed in its entirety.		
Corrective Action:	Remove and properly dispose of any remaining free fluids and Securely fasten all valves, pipes, fittings, and Production Facilities to ensure good mechanical condition, inspect at regular intervals and maintain in good mechanical condition per Rule 608.e. Corrective action date is being backdated to when the corrective action should have been performed by.	Date:	04/19/2023
Type	STORAGE OF SUPL		
Comment:	At the time of this inspection, Staff observed multiple vehicles parked on location. Verdad personnel (D. Wagoner) informed Staff that vehicles were temporarily parked on location due to a safety concern at a nearby location (462872) that was in the process of fracking wells. Staff acknowledges the safety concern and also wants to remind the Operator that locations are not to be used for equipment storage; relocate vehicles/equipment when conditions allow safe operation.		
Corrective Action:		Date:	
Type	OTHER		
Comment:	Unknown fluid located within secondary containment of day tank south of compressor shed appears to have been removed. Previous corrective action has been resolved.		
Corrective Action:		Date:	

Overall Good: ☐**Spills:**

Type	Area	Volume		
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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>432694</u>	Type: <u>LOCATION</u>	API Number: <u>-</u>	Status: <u>AC</u>	Insp. Status: <u>RI</u>
Facility ID: <u>432695</u>	Type: <u>WELL</u>	API Number: <u>123-37237</u>	Status: <u>SI</u>	Insp. Status: <u>RI</u>
Facility ID: <u>432697</u>	Type: <u>WELL</u>	API Number: <u>123-37239</u>	Status: <u>SI</u>	Insp. Status: <u>RI</u>
Facility ID: <u>438512</u>	Type: <u>WELL</u>	API Number: <u>123-40028</u>	Status: <u>SI</u>	Insp. Status: <u>RI</u>

**Environmental****Spills/Releases:**

Type of Spill: \_\_\_\_\_

Estimated Spill Volume: \_\_\_\_\_

Comment: At the time of this inspection, Staff observed hydrocarbons mixed with stormwater on the southern portion of the location, near parked vehicles. Staff was unable to determine the approximate volume or source of material. Staff made immediate call and left a message with Verdad personnel (M. Cugnetti at approx. 10:00am, 05/17/2023) explaining the observation of released hydrocarbons. Later in the day, Verdad personnel (D. Wagner) informed Staff that a vac-truck was dispatched to the location for cleanup. M. Cugnetti called on 05/17/2023 and left a message with Staff that explaining that spill might have originated from rain water mixing with fracking equipment/trucks parked on location, that it didn't appear to be a reportable incident, and that it would be cleaned up by the end of the day. After review, Reclamation and Environmental Staff have determined that the spill/release is reportable per Rule 912.b. Refer to attached inspection photos for documentation.

Corrective Action: Report spill or release of E&P waste or produced fluids. Remove free fluids and contact COGCC 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 05/22/2023.

Date: 05/22/2023

Reportable: \_\_\_\_\_

GPS: Lat \_\_\_\_\_

Long \_\_\_\_\_

Proximity to Surface Water: \_\_\_\_\_

Depth to Ground Water: \_\_\_\_\_

**Water Well Complaint:**

Lat \_\_\_\_\_

Long \_\_\_\_\_

DWR Receipt Num: \_\_\_\_\_

Owner Name: \_\_\_\_\_

GPS : \_\_\_\_\_

**Field Parameters:**

Sample Location: \_\_\_\_\_

Comment: \_\_\_\_\_

**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 \_\_\_\_\_

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 REVEGETATION**Cropland

Top soil replaced \_\_\_\_\_ Recontoured \_\_\_\_\_ Perennial forage re-established \_\_\_\_\_

Non-Cropland

Top soil replaced Pass Recontoured Pass 80% Revegetation Fail

## 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? \_\_\_\_\_ F \_\_\_\_\_

Comment

This location does not comply with Rule 1003. During this inspection, Staff observed that the interim reclamation areas do not appear to be progressing towards 1003 standards. Undesirable vegetation (e.g. kochia) and Colorado List B Noxious Weed (e.g. canada thistle) and a List C (e.g. cheatgrass) was observed growing throughout the interim areas and will need to properly managed for during the local growing season to prevent spread onto adjacent lands. Refer to attached inspection photos for documentation.

Corrective Action

Perform reclamation in accordance to Rule 1003. Manage undesirable vegetation (including noxious weeds) and establish vegetation with total perennial, non-invasive uniform plant cover of at least eighty (80) percent of reference area levels. Use a seed mixture requested by the surface owner, or a mixture prescribed by the local county NRCS. Ensure erosion controls are implemented to stabilize the seeded soil, and continue to monitor and manage this site until the location meets Rule 1003 standards.

Date \_\_\_\_\_

Overall Interim Reclamation Fail

**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:	<input type="text"/>	
Corrective Action:	<input type="text"/>	Date _____
Overall Final Reclamation	Well Release on Active Location <input type="checkbox"/>	Multi-Well Location <input type="checkbox"/>

**Attached Documents**

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

Document Num	Description	URL
403408259	INSPECTION SUBMITTED	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6119684">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6119684</a>
708200272	Inspection Photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6119680">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=6119680</a>