

**FORM  
INSP**Rev  
05/11**State of Colorado  
Oil and Gas Conservation Commission**1120 Lincoln Street, Suite 801, Denver, Colorado 80203  
Phone: (303) 894-2100 Fax: (303) 894-2109

DE	ET	OE	ES
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Inspection Date:

09/10/2015

Document Number:

673402438

Overall Inspection:

**ACTION REQUIRED****FIELD INSPECTION FORM**

Location Identifier	Facility ID	Loc ID	Inspector Name:	On-Site Inspection	2A Doc Num:
	432878	432878	Waldron, Emily	<input type="checkbox"/>	

**Operator Information:**OGCC Operator Number: 10454Name of Operator: PETROSHARE CORPORATIONAddress: 7200 S ALTON WAY #B220City: CENTENNIAL State: CO Zip: 80112

- ☒ THIS IS A FOLLOW UP INSPECTION
- ☒ FOLLOW UP INSPECTION REQUIRED
- ☐ NO FOLLOW UP INSPECTION REQUIRED
- ☐ INSPECTOR REQUESTS FORM 42 WHEN CORRECTIVE ACTIONS ARE COMPLETED

**Contact Information:**

Contact Name	Phone	Email	Comment
Neidel, Kris		kris.neidel@state.co.us	
Witsell, Fred	303-500-1168	fwitsell@petrosharecorp.com	
Kellerby, Shaun		shaun.kellerby@state.co.us	

**Compliance Summary:**QtrQtr: Lot 11 Sec: 25 Twp: 6N Range: 90W

Insp. Date	Doc Num	Insp. Type	Insp Status	Satisfactory /Action Required	PA P/F/I	Pas/Fail (P/F)	Violation (Y/N)
03/16/2015	673401910			<b>ACTION REQUIRED</b>			No

**Inspector Comment:**

Follow up to inspection from 7/17/2015 document number 673402254. Failure to conduct corrective actions does not reset the original corrective action date.

**Related Facilities:**

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status	
432876	WELL	PR	01/31/2015	OW	081-07778	Voloshin 3-25	PR	<input checked="" type="checkbox"/>
432877	WELL	PR	01/31/2015	OW	081-07779	Kowach 3-25	PR	<input checked="" type="checkbox"/>

**Equipment:**Location Inventory

Special Purpose Pits: _____	Drilling Pits: _____	Wells: <u>2</u>	Production Pits: _____
Condensate Tanks: _____	Water Tanks: <u>1</u>	Separators: _____	Electric Motors: _____
Gas or Diesel Mortors: _____	Cavity Pumps: _____	LACT Unit: _____	Pump Jacks: <u>2</u>
Electric Generators: _____	Gas Pipeline: _____	Oil Pipeline: <u>1</u>	Water Pipeline: <u>1</u>
Gas Compressors: _____	VOC Combustor: _____	Oil Tanks: <u>4</u>	Dehydrator Units: <u>1</u>
Multi-Well Pits: _____	Pigging Station: _____	Flare: _____	Fuel Tanks: _____

**Location**

Inspector Name: Waldron, Emily

<b>Signs/Marker:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	<b>ACTION REQUIRED</b>	At intersection of county and access road. Battery must be visible from battery sign. Current sign is several miles from battery/location.	Install sign to comply with rule 210.	<b>04/16/2015</b>
WELLHEAD	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			

Emergency Contact Number (S/A/V): SATISFACTORY

Corrective Date: \_\_\_\_\_

Comment: **303-500-1168**

Corrective Action: \_\_\_\_\_

<b>Good Housekeeping:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
DEBRIS	<b>ACTION REQUIRED</b>	Absorbent pads on location in several spots adjacent to stained soil patches.	Keep location free from trash and debris.	10/12/2015

<b>Spills:</b>				
Type	Area	Volume	Corrective action	CA Date
		<= 5 bbls	Multiple areas of stained soil observed on location. Absorbent pads near several. Promptly complete clean-up of location post completions activities. Remove debris and remove and remediate stained soil. Use appropriate BMPs for containment on future completions jobs.	10/12/2015

☐ Multiple Spills and Releases?

<b>Equipment:</b>					
Type	#	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Vertical Heated Separator	1	<b>ACTION REQUIRED</b>	Stained soil in several spots inside separator berm.	Remove and remediate soil and prevent future leaks and spills.	10/12/2015
Gas Meter Run	1	SATISFACTORY			
Bird Protectors		SATISFACTORY			
Flare	1	SATISFACTORY			
Deadman # & Marked	8	SATISFACTORY			

**Facilities:** ☐ New Tank Tank ID: \_\_\_\_\_

Contents		#	Capacity	Type	SE GPS	
PRODUCED WATER		1	400 BBLS	STEEL AST	,	
S/A/V:	SATISFACTORY		Comment:			
Corrective Action:					Corrective Date:	
Paint						

Inspector Name: Waldron, Emily

Condition	Adequate				
Other (Content)					
Other (Capacity)					
Other (Type)					
<u>Berms</u>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate			Adequate	
Corrective Action				Corrective Date	
Comment					

**Facilities:** ☐ New Tank Tank ID: \_\_\_\_\_

Contents	#	Capacity	Type	SE GPS	
CRUDE OIL	2	400 BBLS	STEEL AST	,	
S/A/V:	SATISFACTORY		Comment:		
Corrective Action:				Corrective Date:	

Paint

Condition	Adequate				
Other (Content)					
Other (Capacity)					
Other (Type)					
<u>Berms</u>					
Type	Capacity	Permeability (Wall)	Permeability (Base)	Maintenance	
Earth	Adequate			Adequate	
Corrective Action				Corrective Date	
Comment					

**Venting:**

Yes/No	Comment
NO	

**Flaring:**

Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
Field Flare	SATISFACTORY			

**Predrill**

Location ID: 432878

**Site Preparation:**

Lease Road Adeq.: \_\_\_\_\_ Pads: \_\_\_\_\_ Soil Stockpile: \_\_\_\_\_

**S/A/V:** \_\_\_\_\_

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_ CDP Num.: \_\_\_\_\_

**Form 2A COAs:**

Group	User	Comment	Date
OGLA	kubeczkod	<p>PIPELINE COAs:</p> <p>Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service.</p> <p>Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.</p> <p>Operator must routinely inspect the entire length of the surface pipeline to ensure integrity.</p> <p>Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all stream, intermittent stream, ditch, and drainage crossings.</p> <p>Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.</p>	05/12/2013
OGLA	kubeczkod	<p>SITE SPECIFIC COAs:</p> <p>A closed loop system (which operator has indicated on the Form 2A) must be implemented during drilling. All cuttings generated during drilling with OBM/high chloride mud must be kept in containers or on a lined/bermed portion of the well pad; prior to analysis and/or offsite disposal.</p> <p>The moisture content of any drill cuttings in a cuttings area or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if the freshwater mud generated drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1.</p> <p>Notify the COGCC 48 hours prior to start of pad construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).</p> <p>Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines</p> <p>Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.</p> <p>The location is in an area of moderate run-on/run-off potential; therefore standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater run-off, as well as sufficient diversion of the nearby drainage.</p> <p>The access road will be constructed to prevent sediment migration from the access road to nearby surface water or any drainages leading to other nearby surface waters.</p> <p>Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been</p>	05/12/2013

submitted/approved) located on the well pad; or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.

Prior to drilling, operator shall collect surface water samples from the two ponds identified during the May 10, 2013 field consultation, as well as the two nearby water wells located downgradient from the well pad location. After 90 days, but less than 180 days of completion of the proposed wells a "post-completion" test shall be performed for the same analytical parameters listed below and repeated once between 60- and 72- months. If the wells are non-producing wells, then the 60- to 72-month sample will not be required. If no significant changes from the baseline have been identified after the 60- to 72-month sample, no further testing shall be required. Additional "post-completion" test(s) may be required if changes in water quality are identified during follow-up testing. At a minimum, the groundwater and surface water samples will be analyze for the following parameters: pH, specific conductance, total dissolved solids (TDS), dissolved gases (methane, ethane, propane), alkalinity (total bicarbonate and carbonate as CaCO<sub>3</sub>), major anions (bromide, chloride, fluoride, sulfate, nitrate and nitrite as N, phosphorus), major cations (calcium, iron, magnesium, manganese, potassium, sodium), other elements (barium, boron, selenium and strontium), total petroleum hydrocarbons (TPH) and BTEX compounds (benzene, toluene, ethylbenzene and xylenes). Field observations such as odor, water color, sediment, bubbles, and effervescence shall also be documented. The location of the sampled Water Sources shall be surveyed in accordance with Rule 215. Copies of all test results described above shall be provided to the COGCC Director and the landowner where the water quality testing is located within three (3) months of collecting the samples used for the test. The analytical data and surveyed locations shall also be submitted to the Director in an electronic data deliverable format. Documented refusal to grant access by well owner or surface owner (for surface water and spring sampling) shall not constitute a violation of this COA.

S/A/V: ACTION

Comment:

110 percent secondary containment not observed as evidence by staining left behind after completions job. Only stormwater improvements noted since previous inspection is removal of silt fence.

CA: Immediately implement appropriate stormwater BMPs. Location is in a sensitive area. Evaluate, maintain and implement BMPs to ensure compliance with ALL COAs.

Date: 04/16/2015

**Wildlife BMPs:**

BMP Type	Comment
Wildlife	<ol style="list-style-type: none"> <li>Where oil and gas activities must occur in Elk Winter Concentration Areas, conduct these activities outside the time period from December 1 through April 15.</li> <li>Restrict post-development well site visitations to between the hours of 9:00 a.m. and 4:00 p.m. from December 1 to April 15, to accommodate Elk Winter Concentration Areas.</li> <li>Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads. Slow speeds and increased awareness among employees and contractors traveling to and from the site should help to reduce impacts.</li> <li>Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.</li> </ol>
Storm Water/Erosion Control	PetroShare Corp. will implement a storm water and erosion plan to prevent sedimentation and erosion.

S/A/V: SATISFACTORY

Comment:

CA:

Date:

Inspector Name: Waldron, Emily

**Stormwater:**

**Comment:**

**Staking:**

**On Site Inspection (305):**

**Surface Owner Contact Information:**

Name: \_\_\_\_\_ Address: \_\_\_\_\_

Phone Number: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

**Operator Rep. Contact Information:**

Landman Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_

Date Onsite Request Received: \_\_\_\_\_ Date of Rule 306 Consultation: \_\_\_\_\_

Request LGD Attendance: \_\_\_\_\_

**LGD Contact Information:**

Name: \_\_\_\_\_ Phone Number: \_\_\_\_\_ Agreed to Attend: \_\_\_\_\_

**Summary of Landowner Issues:**

\_\_\_\_\_

**Summary of Operator Response to Landowner Issues:**

\_\_\_\_\_

**Onsite Inspection Memorandum Summarizing Discussions at Inspection as Attachment:**

\_\_\_\_\_

**Facility**

Facility ID: 432876 Type: WELL API Number: 081-07778 Status: PR Insp. Status: PR

**Producing Well**

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

Facility ID: 432877 Type: WELL API Number: 081-07779 Status: PR Insp. Status: PR

**Producing Well**

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

**Environmental**

**Spills/Releases:**

Type of Spill: \_\_\_\_\_ Description: \_\_\_\_\_ Estimated Spill Volume: \_\_\_\_\_

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

Corrective Action: \_\_\_\_\_ Date: \_\_\_\_\_

Reportable: \_\_\_\_\_ GPS: Lat \_\_\_\_\_ Long \_\_\_\_\_

Proximity to Surface Water: \_\_\_\_\_ Depth to Ground Water: \_\_\_\_\_

**Water Well:**

DWR Receipt Num: \_\_\_\_\_ Owner Name: \_\_\_\_\_ GPS : \_\_\_\_\_ Lat \_\_\_\_\_ Long \_\_\_\_\_

**Field Parameters:**

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

Emission Control Burner (ECB): \_\_\_\_\_

Inspector Name: Waldron, Emily

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

Pilot: \_\_\_\_\_ Wildlife Protection Devices (fired vessels): \_\_\_\_\_

**Reclamation - Storm Water - Pit**

**Interim Reclamation:**

Date Interim Reclamation Started: \_\_\_\_\_ Date Interim Reclamation Completed: \_\_\_\_\_

Land Use: RANGELAND

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

1003a. Debris removed? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Waste Material Onsite? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Unused or unneeded equipment onsite? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Pit, cellars, rat holes and other bores closed? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Guy line anchors removed? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA Date \_\_\_\_\_  
Guy line anchors marked? \_\_\_\_\_ CM \_\_\_\_\_  
CA \_\_\_\_\_ CA 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 \_\_\_\_\_ Recontoured \_\_\_\_\_ 80% Revegetation \_\_\_\_\_

1003 f. Weeds Noxious weeds? \_\_\_\_\_

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

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 \_\_\_\_\_

Inspector Name: Waldron, Emily

Debris removed _____	No disturbance /Location never built _____
Access Roads _____	Regraded _____
Gravel removed _____	Contoured _____
_____	Culverts 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 _____
Comment: _____	
Corrective Action: _____	Date _____
Overall Final Reclamation _____	Well Release on Active Location <input type="checkbox"/> Multi-Well Location <input type="checkbox"/>

**Storm Water:**

Loc Erosion BMPs	BMP Maintenance	Lease Road Erosion BMPs	Lease BMP Maintenance	Chemical BMPs	Chemical BMP Maintenance	Comment

S/A/V: **ACTION REQUIRED** Corrective Date: **04/16/2015**

Comment: Only stormwater action observed is removal of silt fence mentioned in previous report. No stormwater improvements observed since previous inspection.

CA: A stormwater plan utilizing appropriate and necessary BMPs shall be installed and maintained to prevent the migration of soil on pad, access roads and interim reclamation area. BMPs shall prevent site degradation from potential spills and/or releases from stored materials and equipment.

Pits: ☐ NO SURFACE INDICATION OF PIT

**COGCC Comments**

Comment	User	Date
Follow up to inspection from 7/17/2015 document number 673402254. All corrective actions from that report remain outstanding. In addition, debris and staining observed during this inspection have corrective action dates that need to be adhered to.	waldrone	09/14/2015

**Attached Documents**

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

Document Num	Description	URL
673402439	Inspection Photos	<a href="http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3681247">http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3681247</a>



## **ACTION REQUIRED**

**ANY ACTION REQUIRED** items listed on this report indicate that the oil and gas facility or the oil and gas operations listed on the report may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Inspection Report is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)