

**Attachment to Ursa Operating Company LLC
NOAV's 400976773, 400983780, and 400983954**

Overview

Based on odor complaints (Document #'s [200438653](#) and [200438219](#)), COGCC staff conducted inspections at the below locations between December 7, 2015 and January 5, 2016:

- Yater Location (Location ID: 159652; Document #s 680200013, 680200023 and 675202381).
- Monument Ridge Location (Location ID: 422286, Document #'s 680200028 and 675202382).
- Watson Ranch B Location (Location ID: 440705, Document #'s 680200015 and 675202378).

During the December 7, 2015 and December 11, 2015 inspections, COGCC staff observed odors from oil and gas activity at the complainant's residence. Staff believes the issues below contributed to the odors.

Proper Use of Equipment -- Rules 605.d and 605.a.(9)

Pursuant to Rule 605.d., Operator shall keep all valves, pipes, and fittings securely fastened; inspected at regular intervals; and maintained in good mechanical condition. Pursuant to Rule 605.a.(9), Operator is required to keep gauge hatches on atmospheric tanks used for crude oil storage closed at all times when not in use.

Yater Location

During a December 7, 2015 inspection (Document #680200013), COGCC staff observed leaking around gauge access points and around the gauge hatches of production tanks. The inspection required Operator to maintain or replace components on the production tanks as needed to prevent release of the contents to the atmosphere by December 12, 2015.

During a December 11, 2015 follow-up inspection (Document #680200023), COGCC staff observed, by use of infrared camera, that leaks around gauge hatches on the production tanks were still present. Inspection restated the requirements from the December 7, 2015 inspection.

Inspector verified these issues were fixed during a January 5, 2016 inspection.

Monument Ridge Location

During a December 11, 2015 inspection (Document #680200028), COGCC staff observed, by use of infrared camera, gauge hatches on the production tanks were leaking. Inspection required Operator to maintain and repair gauge hatches and access points on the production tanks to eliminate all leaks by December 28, 2015.

Inspector verified these issues were fixed during a January 5, 2016 inspection.

Watson Ranch B Location

During a December 11, 2015 inspection (Document #680200015), COGCC staff observed that during the fluid transfer from the condensate tanks to the storage tanks, hatches on the condensate tanks were left in an open position and condensate odor was present.

During a January 5, 2016 inspection (Document #675202378), COGCC staff observed leaking around gauge hatches of production tanks and also observed that gauge hatches were not closed on two atmospheric tanks. The inspection required Operator to maintain or replace components on the production tanks as needed to prevent release of the contents to the atmosphere by January 15, 2016.

Alleged Violations

For all three locations, Operator failed to keep all valves, pipes, and fittings securely fastened, inspected at regular intervals, and maintained in good mechanical condition in violation of Rule 605.d.

For the Watson Ranch B location, Operator failed to keep gauge hatches closed on atmospheric tanks used for crude oil storage in use in violation of Rule 605.a.(9).

Corrective Actions

Operator shall remove all hydrocarbons from the storage tanks at Watson B and treat all produced water as needed to prevent hydrocarbons from entering the storage tanks. In Operator's Rule 522.d.(2) NOAV answer, Operator shall provide a description of what steps they have taken to address the above alleged violations, including steps to address the issues on a statewide level.

Control of Odors and COAs – Rule 805.a and COAs

Pursuant to Rule 805.a., Operator is required to operate its facilities in such a manner that odors do not constitute a nuisance or hazard to public welfare. Pursuant to the Colorado Oil and Gas Act, Operator is required to comply with permit conditions of approval (COA).

Yater Location

During a December 11, 2015 inspection (Document #680200023), COGCC staff observed that flowback was not routed to a sealed flowback tank and condensate captured during separation process was not sent to tanks with emissions controls as required per COAs.

COGCC staff observed odors from this location.

Watson Ranch B Location

During a December 11, 2015 inspection (Document #680200015), COGCC staff observed approximately 95 produced water storage tanks receiving produced fluids, including from the Yater Pad. COGCC staff observed no equipment to control odors at these storage tanks and as required per Rule 805.a and COAs.

COGCC staff observed odors from this location.

Alleged Violations

For the Yater and Watson B Ranch location, Operator failed to implement key COAs that would have prevented odors from becoming a nuisance to the public.

Corrective Actions

In Operator's Rule 522.d.(2) NOAV answer, Operator shall provide a description of what steps they have taken to address the above alleged violations, including steps to address the issues on a statewide level.