

**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

Inspection Date:

06/10/2016

Document Number:

673403250

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	
Kubeczko, Dave		dave.kubeczko@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)
09/10/2015	673402438			<b>ACTION REQUIRED</b>			No
03/16/2015	673401910			<b>ACTION REQUIRED</b>			No

**Inspector Comment:****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 Motors: _____	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>Lease Road:</b>				
Type	Satisfactory/Action Required	comment	Corrective Action	Date

<b>Signs/Marker:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date
BATTERY	SATISFACTORY			
WELLHEAD	SATISFACTORY			
TANK LABELS/PLACARDS	SATISFACTORY			

Emergency Contact Number (S/AR): SATISFACTORY Corrective Date:  

Comment: 303-500-1168

Corrective Action:  

<b>Good Housekeeping:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

<b>Spills:</b>				
Type	Area	Volume	Corrective action	CA Date
Crude Oil	Truck Loadout	<= 1 bbl	Securely fasten all valves, pipes, and fittings to ensure good mechanical condition per Rule 605.d.	07/13/2016
<input type="checkbox"/> Multiple Spills and Releases?				

<b>Fencing/:</b>				
Type	Satisfactory/Action Required	Comment	Corrective Action	CA Date

<b>Equipment:</b>				
Type: Gas Meter Run	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date: <u> </u>
Type: Bird Protectors	#	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date: <u> </u>
Type: Flare	# 1	Satisfactory/Action Required:	SATISFACTORY	
Comment				
Corrective Action				Date: <u> </u>
Type: Other	# 2	Satisfactory/Action Required:	ACTION REQUIRED	
Comment	Linear rod pumps. Cellars of both wells are full of fluid with free oil and sheen. Inspector called Fred Witsell from location 10:45 6/10/2016 and left a voicemail informing him of fluid and 48 hour timeline for proper removal and disposal. Mr. Witsell called back at 11:44 to inform inspector that his pumper would be removing fluid from cellar promptly.			
Corrective Action	E&P Waste not properly stored, handled, transported, treated, recycled, or disposed per Rule 907. COGCC EPS staff.			Date: 6/12/2016

Inspector Name: Waldron, Emily

Type: Deadman # & Marked	# 8	Satisfactory/Action Required:	SATISFACTORY
Comment			
Corrective Action			Date:
Type: Vertical Heated Separator	# 1	Satisfactory/Action Required:	SATISFACTORY
Comment			
Corrective Action			Date:

<b>Facilities:</b>		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
PRODUCED WATER	1	400 BBLS	STEEL AST	40.444450,-107.439230
S/AR	SATISFACTORY		Comment:	
Corrective Action:			Corrective Date:	
<u>Paint</u>				
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				

<b>Facilities:</b>		<input type="checkbox"/> New Tank	Tank ID: _____	
Contents	#	Capacity	Type	SE GPS
CRUDE OIL	2	400 BBLS	STEEL AST	,
S/AR	SATISFACTORY		Comment:	
Corrective Action:			Corrective Date:	
<u>Paint</u>				
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				

<b>Venting:</b>	
Yes/No	NO
Comment	

<b>Flaring:</b>			
Type		Satisfactory/Action Required	
Comment:			
Corrective Action:		Correct Action Date:	

**Predrill**

Location ID: 432878

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

**S/AR:** \_\_\_\_\_

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</p>	05/12/2013

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.

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.

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.

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 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/AR:** ACTION REQUIRED**Comment:**

Nothing in wellfile to indicate water sampling was performed prior to drilling or after completions as required by COA.

**CA:** If sampling has been performed provide results of sampling to COGCC. If sampling has not been performed contact COGCC staff, copied on this report, to develop sampling plan to comply with above COA.

**Date:**

07/13/2016

**Wildlife BMPs:**

Inspector Name: Waldron, Emily

BMP Type	Comment
Wildlife	<p>1. 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.</p> <p>2. 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.</p> <p>3. 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.</p> <p>4. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.</p>
Storm Water/Erosion Control	PetroShare Corp. will implement a storm water and erosion plan to prevent sedimentation and erosion.

**S/AR:** SATISFACTORY **Comment:**

**CA:**  **Date:**

**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:

Inspector Name: Waldron, Emily

Comment:

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

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

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

**Water Well:** \_\_\_\_\_ Lat \_\_\_\_\_ Long \_\_\_\_\_

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

**Field Parameters:**

Sample Location:

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

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. Waste and Debris removed? \_\_\_\_\_

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 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 \_\_\_\_\_

Inspector Name: Waldron, Emily

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 \_\_\_\_\_

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 \_\_\_\_\_

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
Berms	Pass					
Ditches	Pass					
Sediment Traps	Pass					
Culverts	Pass					
Rip Rap	Pass					
Compaction	Pass					

S/A/V: SATISFACTOR  
Y

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

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

CA: \_\_\_\_\_

Pits: ☐ NO SURFACE INDICATION OF PIT

**Attached Documents**

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

Document Num	Description	URL
673403253	Inspection Photos	<a href="http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3877529">http://ogccwebblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=3877529</a>