

**FORM
INSP**

Rev
X/15

**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:

02/15/2017

Submitted Date:

02/23/2017

Document Number:

674603168

FIELD INSPECTION FORM

Loc ID 320460 Inspector Name: Maclaren, Joe On-Site Inspection 2A Doc Num: _____

Status Summary:

- THIS IS A FOLLOW UP INSPECTION
- FOLLOW UP INSPECTION REQUIRED
- NO FOLLOW UP INSPECTION REQUIRED

Operator Information:

OGCC Operator Number: 10454
Name of Operator: PETROSHARE CORPORATION
Address: 7200 S ALTON WAY #B220
City: CENTENNIAL State: CO Zip: 80112

Findings:

- 4 Number of Comments
- 0 Number of Corrective Actions
- Corrective Action Response Requested

Contact Information:

Contact Name	Phone	Email	Comment
Powell, Harold	(918)-774-3120	hpowell@petrosharecorp.com	
Hazard, Ellice		ellice.hazard@state.co.us	
Canfield, Chris		chris.canfield@state.co.us	
Schlagenhauf, Mark		mark.schlagenhauf@state.co.us	
Precup, Jim		james.precup@state.co.us	
Lloyd, Bill		blloyd@petrosharecorp.com	

Inspected Facilities:

Facility ID	Type	Status	Status Date	Well Class	API Num	Facility Name	Insp Status
203819	WELL	PR	07/16/1996	GW	001-09379	EHLER 44-4	EG

General Comment:

Petroshare field operations manager (Harold Powell) contacted COGCC integrity inspector (Joe Maclaren) on 2/14/2017 after excavation/ investigation indicated the possibility of a historical reportable crude oil release located along the oil dump flowline at the Eller 44-4 well site. A flowline integrity inspection was performed on February 15th, 2017. The details of observations made during this field inspection are available in the flowline and comment sections of this report. Photo's have been uploaded and can be accessed via link(s) at the end of this report.

Inspected FacilitiesFacility ID: 203819 Type: WELL API Number: 001-09379 Status: PR Insp. Status: EG**Flowline**

#1	Type: Dump Line	1 of Lines
Flowline Description		
Flowline Type: <u>Dump Line</u>	Size: <u>2"</u>	Material: <u>Carbon Steel</u>
Variance:	Age: <u>15-20 Yrs</u>	Contents: <u>Crude Oil</u>
Integrity Summary		
Failures:	Spills: <u>Yes</u>	Repairs Made:
Coatings:	H2S: <u>No</u>	Cathodic Protection:
Pressure Testing		
Witnessed:	Test Result:	Charted:
COGCC Rules(check all that apply)		
<input type="checkbox"/> 1101. Installation and Reclamation <input type="checkbox"/> 1102. Operations, Maintenance, and Repair <input type="checkbox"/> 1103. Abandonment		
Comment:	<p>The horizontal separator has been isolated and moved to the north edge of well pad. An excavation has been started in the area where the dump flowlines surface and tie into the separator. The root cause of failure is being investigated. Based on conversations with Petroshare personnel, the dump lines (both crude oil and produced water dump lines) are scheduled to be replaced using HDPE (poly) materials. The existing crude oil and produced water dump lines are scheduled to be unearthed and removed from location (contact COGCC inspector if this changes to abandonment). Cleanup and remediation work is in progress on location at this time.</p>	
Corrective Action:		Date:

COGCC Comments

Comment	User	Date
Note: Document and retain records of root cause of failure evaluation, measures taken to prevent the problem from reoccurring and description of flowline repairs/ replacement(s) completed on supplemental form 19. Perform flowline pressure testing to confirm integrity of all flowlines repairs and/ or replacements completed (as applicable per 1100 series rules/ retain chart & data) prior to returning flowlines to service.	maclarej	02/23/2017
An initial form 19 spill report Doc #401216949 was received by COGCC on 02/22/2017 that outlines: On Fri Feb 10 oil contamination appeared at the surface where the oil dump line goes from the separator underground to the oil tank on the production pad. Subsequent digging revealed that this leak had been occurring for some period prior to the presence of oil on surface. Additional digging has indicated oil contaminated soil underneath the separator. The separator has been disconnected and moved and additional excavation indicates further contamination. Additional excavation to determine the full extent is ongoing.	maclarej	02/23/2017

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

Document Num	Description	URL
674603187	Wellhead/ signage	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4082346
674603189	View of remediation area looking NE	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4082347
674603190	Excavation/ dump line(s) exposed	http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4082348