

**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:

02/09/2018

Submitted Date:

02/16/2018

Document Number:

679500245**FIELD INSPECTION FORM**Loc ID 448269 Inspector Name: AXELSON, JOHN 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: 10454Name of Operator: PETROSHARE CORPORATIONAddress: 9635 MAROON CIRCLE #400City: ENGLEWOOD State: CO Zip: 80112**Findings:**6 Number of Comments2 Number of Corrective Actions☒ Corrective Action Response Requested**Contact Information:**

| Contact Name | Phone | Email | Comment |
|-----------------|----------------|----------------------------|--------------------|
| Powell, Harold | (918)-774-3120 | hpowell@petrosharecorp.com | Field Op Manager |
| Lloyd, Bill | | blloyd@petrosharecorp.com | Operations Manager |
| Binschus, Chris | | chris.binschus@state.co.us | |

Inspected Facilities:

| Facility ID | Type | Status | Status Date | Well Class | API Num | Facility Name | Insp Status |
|-------------|----------|--------|-------------|------------|---------|----------------------|-------------|
| 448269 | LOCATION | AC | | | - | Shook Wellpad 3-1-67 | EI |

General Comment:

Environmental inspection performed to determine status of E&P waste management. Bentonitic drilling fluids were applied to an area off the location along the southeast side of the Shook well pad covering approximately 4.1 acres. Land is pasture not recently cultivated. Fluids were not incorporated into native soil within 10 days of application. Form 2A was approved for offsite, commercial disposal of drilling fluids. Land application of bentonitic fluids is in violation of the Form 2A and Rule 907.d.(3)B. See corrective actions within. Contact John Axelson at 303-894-2100, ext. 5115 for questions regarding corrective actions, information to submit and deadlines.

Environmental**Waste Management:**

| Type | Management | Condition | GPS (Lat) | (Long) |
|-------------------|---|------------|-----------|------------------|
| Drill Cuttings | Other | Adequate | | |
| Comment | Form 2A indicated offsite, commercial disposal for drill cuttings. No cuttings were observed on location. | | | |
| Corrective Action | Provide COGCC with all waste generator information required by Rule 907.b.(2) for offsite disposal of each load of drill cuttings as follows: the date of transport, identity of the waste transporter, location of the cuttings pick up site, volume of cuttings disposed off site, name and location of disposal site. Documentation shall include a summary of all information and pdf copies of invoices, haul tickets, manifests and gate receipts from disposal facility for each load. | | | Date: 03/09/2018 |
| | Land Application | Inadequate | | |
| Comment | Bentonitic drilling fluids were applied to an area adjacent the southeast corner of the Shook Wellpad. Fluids are documented on a June 2017 Google Earth image of the location (attached). Fluids were dry at time of inspection and have not been incorporated into native soil. Per COGCC Rule 907.d.(3)B. Land application of bentonitic fluids shall be incorporated as a beneficial amendment into native soils within ten (10) days of application. The resulting concentrations shall not exceed Table 910-1 standards. Surface owner approval is required prior to land application. Drilling waste management program for offsite commercial disposal was approved on the Form 2A. | | | |
| Corrective Action | Provide copy of written authorization from the surface owner for land application of the drilling fluids. If surface owner authorization has been provided, immediately incorporate the residual drilling fluids into native soil. If surface owner authorization was not provided prior to land application, immediately notify COGCC and contact surface owner to determine if they approve land application as a beneficial amendment or want the fluids removed. After incorporation or removal, collect a sufficient number of soil samples from the land application area to demonstrate compliance with Table 910-1. Also collect at least one background sample from an undisturbed area outside of the land application site. Submit sample location diagram, summary table of analytical results compared to Table 910-1 standards and lab report no later than March 31, 2018. Final reclamation is required for land application area in accordance with Rule 1004. Implement stormwater bmps and control weeds throughout duration of reclamation. | | | Date: 07/10/2017 |

Spill/Remediation:

| | |
|--------------------|-------------|
| Comment: | |
| Corrective Action: | Date: _____ |

Emission Control Burner (ECB): _____

Comment: _____

Pilot: _____ Wildlife Protection Devices (fired vessels): _____

COGCC Comments

| Comment | User | Date |
|---|----------|------------|
| No activity was taking place on pad at time of inspection. No production equipment was installed and no wellheads were in place. Sound wall was still up. | axelsonj | 02/15/2018 |

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

| Document Num | Description | URL |
|--------------|------------------------|---|
| 679500248 | June 2017 Aerial Photo | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4380391 |
| 679500249 | Inspection Photos | http://ogccweblink.state.co.us/DownloadDocumentPDF.aspx?DocumentId=4380392 |