



COLORADO

**Oil & Gas Conservation
Commission**

Department of Natural Resources

1120 Lincoln Street, Suite 801
Denver, CO 80203

www.colorado.gov/cogcc

WARNING LETTER # 402693473

05/27/2021

PETROSHARE CORPORATION (# 10454)
FREDERICK J WITSELL
fwitsell@petrosharecorp.com

9635 MAROON CIRCLE #400
ENGLEWOOD, CO 80112

Mark Nastri (mnastri@providence-energy.com)

Meghan Grimes (mgrimes@providence-energy.com)

Devin Brown (dbrown@providence-energy.com)

Shanelle Deater (shanelle.deater@state.co.us)

Shook Wellpad 3-1-67 (Location ID # 448269)
NWSE, 3, 1S, 67W, ADAMS

This Warning Letter is to inform you that PETROSHARE CORPORATION (“Operator”) may be in violation of the rules and regulations of the Colorado Oil and Gas Conservation Commission (“COGCC”) and corrective action is required.

COGCC has reasonable cause to believe that Operator has committed one or more violations of the Oil and Gas Conservation Act, or of a rule, regulation, or order of the Commission, or of a permit issued by the Commission. Operator is required to comply with this Warning Letter by the **Corrective Action Deadline Date(s)** to resolve the alleged violation(s). 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.

Alleged Violation(s) and Required Corrective Action(s):

34-60-121(1) CRS-b Statutory Violation - Permit Violation

Description of Alleged Violation: Operator is receiving this letter because, based on COGCC records, COGCC has reason to believe the Well(s) indicated above and/or in the attached table present one or more compliance issues. Operator should review its records to verify if it is out of compliance with any COGCC Spacing Orders or permits.

Operator has completed the identified Wells with the top of productive zone closer to the unit boundary than allowed by the setback established in the applicable Spacing Order. The completed distances to the section line are different from those approved in the Operator’s Application for Permit to Drill, Form 2, and encroach on the setback required by the Spacing Order.

Operator has failed to comply with the conditions of a COGCC permit and a Commission Spacing Order, violating § 34-60-121.(1)(a), C.R.S.



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Required Corrective Action: Operator shall apply to amended Order# 407-1611 to include the SE quarter of section 3, and apply to amend Order# 407-1590 to either A)Include the south half of the SW quarter of section 3, or B)Reduce the established setbacks. Until the units are amended, these violations are deemed continuing.

Corrective Action Deadline Date: 06/25/2021

How to Comply with Warning Letter:

Operator shall complete the Required Corrective Action(s) above within the deadline(s) provided. Upon completion of the Corrective Action(s), Operator shall provide notice and evidence of completion to the COGCC staff identified below by the Corrective Action Deadline Date(s):

COGCC Representative: Missti Mason
Email: missti.mason@state.co.us

Title: Permit/Completion Special
Phone Num: (303) 894-2100x5118

If you have any questions about this Warning Letter, please contact the COGCC Representative identified above.

Failure to Comply with Warning Letter:

If Operator fails to perform Required Corrective Action(s) on or before the Corrective Action Deadline Date(s) stated above COGCC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

Disclaimers:

If the alleged violation(s) in this Warning Letter are the subject of previously issued Notice(s) of Alleged Violation ("NOAV") or Enforcement Order(s) ("Order"), Operator's obligations and the corrective actions and deadlines in such NOAV or Order stand and are not affected by this Warning Letter.

If issued in error, the Enforcement Unit reserves the right to rescind this Warning Letter prior to the COGCC Representative's receipt of Operator's notice and evidence of completion of the Corrective Action.

All well data, rules and forms are available on our website at www.colorado.gov/cogcc.

Sincerely,

Missti Mason
Permit/Completion Special

Attachments

View Attachments in Imaged Documents on COGCC website <http://ogcweblink.state.co.us/> Search by Document Number.

Document Number Description

402697873	WARNING LETTER DOCUMENTATION
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Total Attach: 1 Files