

# JHS

JHS ENERGY, INC  
Oil and Gas Investments and Management  
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RECEIVED

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COGCC



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October 21, 1997

Colorado Oil & Gas Conservation Commission  
1120 Lincoln Street  
Suite 801  
Denver, CO 80203

Re: Field Inspection Report  
Shiebley #1  
Washington County, Colorado

OGCC Lease No: 55233  
API No: 05-121-0707400

Gentlemen:

*NE/NE 10 2N 54W*

The letter is in response to a Field Inspection Report performed at the subject lease by Mr. Ed Binkley on July 15, 1997. The specific item that we are responding to is the water discharge from the water evaporation pit.

The landowner, Mr. Cory Traxler of Akron, Colorado, had requested that JHS Energy, Inc. provide a discharge tube from our water pit in order to fill a metal trough for his livestock. The discharge tube had no valve and water would overflow the trough onto the ground. We were informed that the discharge of water onto the ground was a violation of Clean Water regulations and would have required a NPDES Permit from the Colorado Department of Health.

JHS has removed the discharge tube from our water pit, stopping the flow of water onto the ground..

Sincerely,

William E. Richardson  
Operations Manager

**COLORADO OIL & GAS CONSERVATION COMMISSION**  
**FIELD INSPECTION REPORT**

|   |   |   |  |
|---|---|---|--|
| <input checked="" type="checkbox"/> NOTICE OF UNSATISFACTORY INSPECTION | 1120 Lincoln Street, Suite 801<br>Denver, CO 80203<br>(303)894-2100 |   |  |
| <input checked="" type="checkbox"/> NOTICE OF SATISFACTORY INSPECTION   |   |   |  |
| API No. 05- <i>121 - 7074</i>   | LEASE NAME: <i>Shirley #1</i>                                       |   |  |
| LOCATION: <i>NENE 10-2N-54</i>  | OPERATOR: <i>LHS Energy</i>   |   |  |
| DATE: <i>7-15-97</i>  | INSPECTOR: <i>Ed Binkley</i>  |   |  |
| Insp. Type: <i>Pr</i>   | Insp. Status: <i>Pr</i>   | PA: Y <input type="checkbox"/> N <input type="checkbox"/>               | Pass/Fail: <i>Pass</i> <input checked="" type="checkbox"/> Fail <input type="checkbox"/> |
|   |   | Viol.: Y <input type="checkbox"/> N <input checked="" type="checkbox"/> | NOV: Y <input type="checkbox"/> N <input checked="" type="checkbox"/>                    |

| INSPECTION ITEM  | COMMENTS   | INPUT |
|--|--|-------|
| <b>Well ID Signs</b><br>(Rule 210, 604.c(4))                   | <i>ok</i>  |       |
| <b>Pits (Reserve/Production)</b><br>(Rule 902, 903, 904, 905)  | <i>pit clean</i>   |       |
| <b>Fences</b><br>(Rule 603.b.7, 604.C.(3), 1002.A)             |  |       |
| <b>Tank Battery Equipment</b><br>(Rule 603.b.3, 604)           |  |       |
| <b>Fire Walls/Berms/Dikes</b><br>(Rule 603.b.12, 604)          | <i>needs berm around tank</i>  |       |
| <b>General Housekeeping</b><br>(Rule 603)                      | <i>Berm is partially worn down -</i>   |       |
| <b>Spills (Oil/Water)</b><br>(Rule 907)                        |  |       |
| <b>Bradenhead</b><br>(Rule 207.b)                              |  |       |
| <b>Drilling Well/Workover</b><br>(Rule 317)                    |  |       |
| <b>Surface Rehabilitation</b><br>(Rule 1002, 1003, 1004, 1103) |  |       |
| <b>Miscellaneous</b>   | <i>* 1/2" water stream discharged from pit requires health Dept permit -</i> |       |



**CORRECTIVE ACTION REQUIRED:** *\**  
*improve tank berm*

Date Corrective Action Required By: *8-30-97*      Date Remedied:

This report is a Notice of Inspection. The Commission requires that you correct any deficiencies shown on this report in a timely manner. Failure to comply may result in enforcement action by the Commission.