

March 23, 2016

Colorado Department of Public Health & Environment
APCD-SS-B1
4300 Cherry Creek Drive South
Denver, Colorado 80246

RE: PADCO, LLC 2015 Annual Leak Detection and Repair (LDAR) Report

Ladies/Gentlemen:

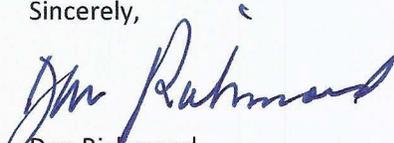
PADCO, LLC (PADCO), is submitting the LDAR Annual Report Form as required by Colorado Regulation 7, Section XVII.F.9. In calendar year 2015, eleven (11) facilities, consisting of 100% of PADCO's Colorado oil and gas operations were inspected using an Approved Instrument Monitoring Method (AIMM).

Uncontrolled volatile organic compound (VOC) emissions from the condensate storage tanks for each facility are less than six tons per year (6 TPY) and were installed prior to October 15, 2014. Therefore, these facilities are subject to the one-time AIMM inspections to be completed before January 1, 2016 (Regulation 7, XVII.F.4). Monthly Audio, Visual, Olfactory (AVO) inspections were not required to begin until January 1, 2016 and are not included in the 2015 Annual LDAR Report.

Facility Name
Bacon #1A & Bacon Unit #1
Sharp Tank Battery
Sharp/Blake Tank Battery
Sharp/Blake 2B Tank Battery
Gary Gebauer #2
Miller Rediess
Harpham Tank Battery
Wright #1 Tank Battery
Gulley #1-D
Fassler Tank Battery
Venrick A Lease

Should you have any questions or need additional information, you may contact me at (918) 630-9912 or Lesair Environmental at (303) 904-2525.

Sincerely,



Dan Richmond
Agent

Leak Detection and Repair (LDAR) Annual Report Form¹



Please submit via email to: cdphe_reg7LDAR_annualreports@state.co.us

Section 1: General Information

Company Name:	PADCO, LLC		
Inspection Year:	2015	# Facilities Inspected: ²	11
Contact Person:	Dan Richmond	Title:	Agent
Phone Number:	918-630-9912	E-mail Address:	dan@dsrinc.net

Section 2: LDAR Inspections

Inspection Method	# Inspections ³
AIMM at Natural Gas Compressor Stations:	0
AIMM at Well Production Facilities:	11
AVO at Well Production Facilities:	0
TOTAL	11

Section 3: Leaking Components Details

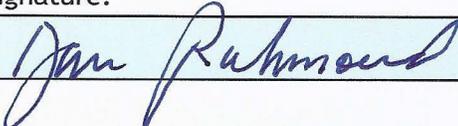
Component Type	# Leaks Identified ⁴	# Leaks Repaired	# Leaks on Delay of Repair List as of Dec 31
Valves:	1	1	0
Connectors:	1	1	0
Flanges:	0	0	0
Pump Seals:	0	0	0
Pressure Relief Devices:	1	1	0
TOTAL	3	3	0

Section 4: Responsible Official Certification

All information contained in the LDAR Annual Report must be certified by a responsible official as defined in Colorado Regulation No. 3, Part A, Section 1.B.38.

Please note the Colorado Statutes state that any person who knowingly, as defined in §18-1-501(6), C.R.S., makes any false material statement, representation, or certification in this document is guilty of a misdemeanor and may be punished in accordance with the provisions of §25-7 122.1, C.R.S.

I, the Responsible Official, have reviewed this annual report in its entirety and, based on information and belief formed after reasonable inquiry, I certify that the statements and information contained in this report are true, accurate and complete.

Printed/Typed Name - Responsible Official:	Title:
Dan Richmond	Agent
Signature:	Date:
	3.25.16

Section 5: Additional Notes

The facilities that were inspected in 2015 have uncontrolled VOC emissions less than 6 TPY. Therefore, the facilities are subject to a one-time facility AIMM to be completed by January 1, 2016 and monthly facility AVO to begin January 1, 2016. This report only contains the one-time facility AIMM findings from the inspections performed August 19-20, 2015. A leak from a thief hatch that was found is being reporting as a pressure relief deivce component in the table above.

Section 6: Facilties Inspected

Addendum Table 1

Plant AIRS ID (e.g., 123/7896)	Location (e.g., Lat/Long)	Facility Name
121/0318	39.93789,-103.54485	Bacon #1A & Bacon Unit #1
121/0319	39.93128,-103.51898	Sharp Tank Battery
121/0317	39.93165,-103.52843	Sharp/Blake Tank Battery
121/0316	39.93427,-103.53799	Sharp/Blake 2B Tank Battery
121/0321	40.04319,-103.26783	Gary Gebauer #2
N/A	40.20714,-103.38104	Miller Rediess
121/0322	40.16785,-103.17619	Harpham Tank Battery
121/0324	39.86243,-103.30949	Wright #1 Tank Battery
121/0323	39.86524,-103.31357	Gulley #1-D
121/0320	40.10174,-103.32475	Fassler Tank Battery
N/A	40.02923,-103.37492	Venrick A Lease

Footnotes:

- ¹ The fields shaded in blue are mandatory required elements of the annual report. The remaining information is voluntary and requested to help the Division better interpret the implementation of the leak detection and repair program.
- ² "# of Facilities Inspected" should reflect the total number of unique physical locations (e.g. well production facilities and natural gas compressor stations) inspected during the calendar year reported.
- ³ The "Total # of Inspections" should reflect the number of unique facility inspections events (e.g. unique complete facility AVO and AIMM events) that occurred across all facilities (as reflected in Section 1) monitored by the company during the calendar year reporting period. This nujmber should not reflect a count representing the number of individual component(s) monitored. In addition, re-monitoring events to verify an earlier identified leak has been repaired as required by Regulation 7, Section XVII.F.7 should not be counted in the "Total # of Inspections" reported.
- ⁴ The "# of Leaks Identified" should reflect the sum total of component leaks identified during all facility inspections (e.g. AVO and AIMM) that occurred during the calendar year reported.