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From: Axelson, John
Sent: Thursday, March 10, 2011 11:26 AM
To: 'AHerschberger@MEPCO.us.com'
Cc: Neslin, David; Lindblom, Steven; Willis, Rob
Subject: Schwake A-2 Remediation Project 4886
Attachments: E Cheyenne Insp Pics 3-3-11.pdf; E Cheyenne Schwake Insp 3-3-11.pdf; E Cheyenne Schwake Inspections 10-09 & 5-10.pdf

Arlen,

As a follow up to our conversation last week regarding my inspection at the Schwake Lease, I have attached a copy of the inspection as well as copies of old inspections and recent pictures for your reference.

The land farm that was recently constructed was very well done. It was evident that the contractor did a very good job with construction, implementation of stormwater controls and placement of the contaminated material. However, none of the oily soil at the pumping unit, battery or treater was removed. In past inspections I have noted the oily soil at all of the areas on the lease in addition to the water pits each time. In past conversations with Scott Stapp, it was my understanding that all of the areas of oily soil would be addressed during the water pit closure. I even noted on past inspections that the site wide oily soil could be cleaned up during pit closure and treated at the land farm.

Right now there are numerous rule violations at the Schwake Lease that need to be addressed. I have provided specific corrective actions in the attached inspection from 3/3/11. Because the print out is not always the easiest to read, I am providing the requirements below with additional discussion:

- Immediately remove all oily soil from the pumping unit, the battery and the treater. There was also a new pile of oily soil placed on plastic next to the battery during my inspection. It needs to be removed. Remove any remaining oily soil from the west wall of the pit excavation. All of the oily soil needs to be properly disposed or treated in accordance with Rule 907.e. As previously discussed with Scott and noted on past inspections, this oily material can be placed on the remaining open area of the landfarm pad and treated under the approved remediation plan #4886. Based on the accumulation of all of the historic releases and dripping equipment over the years, you should plan on removing the tanks from the battery and the shed & piping from the treater and the shed from the pumping unit to enable removal of all contaminated material.
- Since the last inspection performed on 5/20/10 there has been a lot of trash and junk accumulated at the location. Immediately remove all trash and junk and properly dispose or recycle. Properly store chemical drums and make sure they are properly labeled with chemical inventory and MSDS sheets available for inspection.
- The weeds have not been controlled since the last inspection. As long as this lease is active it needs to be properly maintained in accordance with all applicable rules including housekeeping requirements in accordance with Rule 603.j. Control the weeds. This includes controlling weeds at the landfarm for the duration of the project.
- Immediately stabilize the disturbed areas adjacent to the east and north of the landfarm to prevent soil loss. Relatively large areas over an acre each were disturbed during construction activities but were not stabilized in any way. Although this is not a drill pad, the 1000-Series Reclamation Rules apply. Please reference those rules and bring the disturbed areas into compliance.
- Implement the approved remediation plan regarding treatment of the landfarmed material. Because the material is made up in large part of sand and gravel, there will probably be good air movement through it and

much of the lighter hydrocarbons will probably volatilize. However, the heavier crude oil contaminated material is going to need to be aerated on a regular basis and will likely need the addition of nutrients, organic matter and moisture to promote biodegradation.

- Maintain the stormwater controls throughout the life of the project. Some of the silt fence has already blown down. Routine maintenance will be required.

Although not noted on the inspection it would be helpful if you placed a sign at the landfarm with company contact information and a description of the waste so there is no confusion to the surface owner, tenant or other entities who might wonder what is being done at this location. In addition, please update the landowner and tenant on a regular basis regarding the remediation activities at this location.

To be clear, the Due Date for Corrective Actions is June 3, 2011. The corrective actions requiring immediate response need to be completed as soon as possible. In routine work with other operators, issues such as oily soil are required to be cleaned up immediately. We generally provide 30 or 60 days to perform such work. I have provided 90-days to complete the corrective actions. Please notify me prior to June 3, 2011 when all corrective actions have been achieved so I can document with an inspection.

COGCC appreciates your cooperation in addressing these issues. If you have questions regarding any of the requirements discussed, please contact me as soon as possible.

Thank you,

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