

FORM 4 Rev 12/05

State of Colorado



Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax:(303)894-2109

SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 603b.)

Received 9/4/2012 Rifle COGCC Re: Spill 2230213

1. OGCC Operator Number: 77330 2. Name of Operator: SG Interests I Ltd 3. Address: 1485 Florida Road Suite C202 City: Durango State: CO Zip: 81301 4. Contact Name: Catherine Dickert Phone: 970-385-0696 Fax: 970-385-0636 5. API Number 05-051-06042 OGCC Facility ID Number 324466 6. Well/Facility Name: Jacobs 7. Well/Facility Number 29-1 8. Location (Qtr/Qtr, Sec, Twp, Rng, Meridian): NWNW Sec 29 T11S R89W 6th PM 9. County: Gunnison 10. Field Name: Bull Mountain 11. Federal, Indian or State Lease Number: Complete the Attachment Checklist OP OGCC

General Notice

CHANGE OF LOCATION: Attach New Survey Plat (a change of surface qtr/qtr is substantive and requires a new permit) Change of Surface Footage from Exterior Section Lines: Change of Surface Footage to Exterior Section Lines: Change of Bottomhole Footage from Exterior Section Lines: Change of Bottomhole Footage to Exterior Section Lines: Bottomhole location Qtr/Qtr, Sec, Twp, Rng, Mer Latitude Longitude Ground Elevation GPS DATA: Date of Measurement PDOP Reading Instrument Operator's Name CHANGE SPACING UNIT Formation Spacing order number Unit Acreage Unit configuration REMOVE FROM SURFACE BOND Signed surface use agreement attached CHANGE OF OPERATOR (prior to drilling): Effective Date: Plugging Bond: Blanket Individual CHANGE WELL NAME From: To: Effective Date: NUMBER ABANDONED LOCATION: Was location ever built? Yes No Is site ready for inspection? Yes No Date Ready for Inspection: NOTICE OF CONTINUED SHUT IN STATUS Date well shut in or temporarily abandoned: Has Production Equipment been removed from site? Yes No MIT required if shut in longer than two years. Date of last MIT REQUEST FOR CONFIDENTIAL STATUS (6 mos from date casing set) SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK Method used Cementing tool setting/perf depth Cement volume Cement top Cement bottom Date RECLAMATION: Attach technical page describing final reclamation procedures per Rule 1004. Final reclamation will commence on approximately Final reclamation is completed and site is ready for inspection.

Technical Engineering/Environmental Notice

Notice of Intent Approximate Start Date: Report of Work Done Date Work Completed: 08/10/2012 Details of work must be described in full on Technical Information Page (Page 2 must be submitted.) Intent to Recomplete (submit form 2) Request to Vent or Flare E&P Waste Disposal Change Drilling Plans Repair Well Beneficial Reuse of E&P Waste Gross Interval Changed? Rule 502 variance requested Status Update/Change of Remediation Plans Casing/Cementing Program Change Other: for Spills and Releases

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: Catherine Dickert Date: 09/04/2012 Email: cdickert@sginterests.com Print Name: Catherine Dickert Title: Environmental and Permitting Manager

COGCC Approved: Title: Date: 9/25/2012

CONDITIONS OF APPROVAL, IF ANY:

Sundry conditionally approved-see COAs on following page; spill is not closed.

TECHNICAL INFORMATION PAGE



FOR OGCC USE ONLY

Received  
9/4/2012 Rifle  
COGCC  
RE: Spill 2230213

1. OGCC Operator Number: <u>77330</u>	API Number: <u>05-051-06042</u>
2. Name of Operator: <u>SG Interests I Ltd</u>	OGCC Facility ID # _____
3. Well/Facility Name: <u>Jacobs</u>	Well/Facility Number: <u>29-1</u>
4. Location (QtrQtr, Sec, Twp, Rng, Meridian): <u>NWNW Sec 29 T11s R89W 6th PM</u>	

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. **DESCRIBE PROPOSED OR COMPLETED OPERATIONS**

Please see attached follow up information regarding a spill of produced water at the Jacob 29-1 location (incident on 08/06/2012). This is Spill/Release tracking number 2230213. We are including a site map indicating where the soils samples were taken from on the location as well as the sample test results. Test results are included for the containerized soil, the bottom of the excavated area, and the background area.

COAS: 1.) The containerized soil sample was run as TCLP extraction which is not appropriate for comparison to Table 910-1 values, however if the container material is to be disposed of at an approved facility, the facility requirements should be met. If the containerized soil is to be replaced on site or treated then replaced on site, the TCLP analysis is not sufficient and total analysis will be required to be submitted to the COGCC before containerized soil is replaced on site. 2.) The confirmation spill footprint sample's arsenic levels exceed Table 910-1 levels. The single background sample result has arsenic levels lower than that of the two confirmation samples, thus does not demonstrate that the arsenic levels in confirmation spill footprint samples are within background arsenic levels. Without background sampling demonstrating the range of arsenic concentrations in the nearby background and that the spill footprint samples are within that range, documentation of compliance with Table 910-1 has not been met. COGCC recommends 3 to 5 discrete samples as an arsenic background study. Submit background arsenic study via a Sundry Form 4, referencing the spill report number and the document number assigned to this sundry in order for this spill to be closed.