

**State of Colorado
Oil and Gas Conservation Commission**

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



FOR OGCC USE ONLY

RECEIVED
5/15/2013

SPILL/RELEASE REPORT

This form is to be submitted by the party responsible for the oil and gas spill or release. Any spill or release which may impact waters of the State must be reported as soon as practicable; any spill over 20 bbls must be reported within 24 hours and all spills over five bbls must be reported within ten days. Submit a Site Investigation and Remediation Workplan (Form 27) when requested by the Director.

Spill report taken by:

FACILITY ID:

OPERATOR INFORMATION

Name of Operator: <u>Gunnison Energy Corporation</u> OGCC Operator No: <u>100122</u>	Phone Numbers
Address: <u>18380 H Road</u>	No: <u>970-874-4358</u>
City: <u>Delta</u> State: <u>CO</u> Zip: <u>81416</u>	Fax: <u>970-596-4302</u>
Contact Person: <u>Steve Shelbourn</u>	Email: <u>Steve.Shelbourn@oxbow.com</u>

DESCRIPTION OF SPILL OR RELEASE

Date of Incident: <u>5/7/2013</u> Facility Name & No: <u>Hotchkiss Federal 12-89-612S89W18NWNE (Fac. # 324481)</u>	County: <u>Gunnison</u>
Type of Facility (well, tank battery, flow line, pit): <u>Flow Line Hotchkiss Federal 18-31 Well Pad</u>	QtrQtr: <u>NWNE</u> Section: <u>18</u>
Well Name and Number: <u>Hotchkiss Federal 18-31</u>	Township: <u>12S</u> Range: <u>89W</u>
API Number: <u>05-051-06071</u>	Meridian: <u>6th</u>

Specify volume spilled and recovered (in bbls) for the following materials:

Oil spilled: _____ Oil recov'd: _____ Water spilled: 12 Water recov'd: 16 Other spilled: _____ Other recov'd: _____

Ground Water impacted? Yes No Surface Water impacted? Yes No

Contained within berm? Yes No Area and vertical extent of spill: 3,024 sq ft x 1-2 inches deep

Current land use: Open Rangeland Weather conditions: Cloudy, mild temps, light rain

Soil/geology description: Bulkley Clay Loam, 12-25% slope

IF LESS THAN A MILE, report distance **IN FEET** to nearest ... Surface water: 3456 ft wetlands: None buildings: ~ 4,070 feet

Livestock: None Water wells: ~3,975 ft Depth to shallowest ground water: ~35 feet

Cause of spill (e.g. equipment failure, human error, etc.): Equipment Failure Detailed description of the spill/release incident:
 The ball valve on the flow line running from the separator units to an area where production equipment was previously placed failed due to freezing. this allowed produced water to migrate to the surface. The produced water migrated out onto the well pad and then flowed off the southeast corner and down the access road bar ditch approximately 475 feet.

CORRECTIVE ACTION

Describe immediate response (how stopped, contained and recovered): The release was discovered on 5/7/2013 by Gunnison Energy production personnel responsible for the location. The line was capped at the failure point to prevent any additional fluid loss. Due to forecast precipitation events throughout the day and night, a catchment basin was constructed at the entrance to the pad as well as the endpoint of the release along the access road to capture any residual produced water and storm water runoff. Check dams were also constructed in the bar ditch to capture sediment as well during the precipitation events. A vac truck was stationed on the location to vacuum off the water as it accumulated in the catchment basins. As stated above approximately 16 barrels of fluid was recovered.

Describe any emergency pits constructed: Two catchment basins were constructed at the pad entrance and the endpoint of the release as described above.

How was the extent of contamination determined? By field measurements and mapping with a Trimble GPS unit.

Further remediation activities proposed (attach separate sheet if needed): The pad and access road were allowed to dry out after the most recent precipitation event. Soil which had accumulated in the catchment basins and in front of the check dams was excavated and placed into a lined bermed containment on the pad. Soil samples were then collected from the impacted areas on the pad and bar ditch and are being analyzed for Table 910-1. Based on analytical results from the initial sampling, no additional remediation is required as all constituents are below COGCC Table 910-1 standards.

Describe measures taken to prevent problem from reoccurring: As stated above, the compromised line has been taken out of service. An investigation as to what caused the failure is on-going.

OTHER NOTIFICATIONS

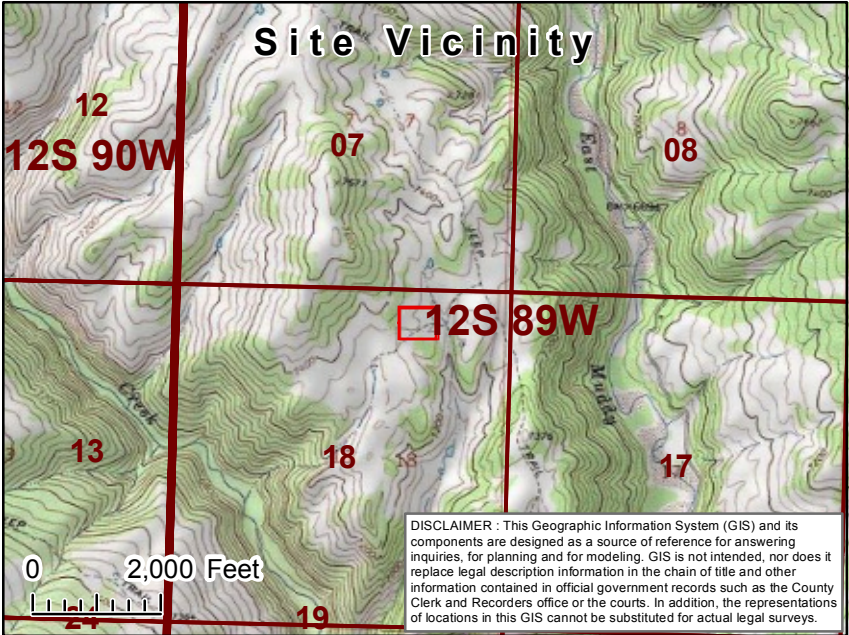
List the parties and agencies notified (County, BLM, EPA, DOT, Local Emergency Planning Coordinator or other).

Date	Agency	Contact	Phone	Response
				Landowner Notification

Spill/Release Tracking No: **2145338**






Affected Area=
~2,455 Ft²



Attachment A - Spill Location Map
Location: 18-31
Gunnison Energy Corporation

Legend

-  Affected Area
-  Township
-  Section

