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To: [Bob Chesson](#)
Cc: [Jeffrey Rickard - DNR](#); [Nicholas Bosley](#); [Allen Jones](#)
Subject: State 1-2 Release Assessment Status
Date: Wednesday, September 17, 2014 3:05:11 PM
Attachments: [image001.png](#)

Bob,

I have discussed the State 1-2 site status with our operations personnel. In regards to the release concerns discussed in the inspection report (Doc #67410133), we believe the current releases are non-reportable at much less than 5 bbl inside containment. When Bonanza Creek (BCEOC) previously visited the site, there was no sign of active leaks from the tanks.

Site Background:

- This location is part of a recent acquisition;
- The site is currently shut in;
- BCEOC has not operated the facility since the acquisition;
- The tanks and stained soil were previously assessed and it was determined the tanks were not actively leaking at that time and the stained surface soil (from previous non shut-in operations) would be scheduled for removal; and
- The photograph with the hole in the soil (Doc #674101342) is from previous BCEOC soil samples collected to assess the depth of surface impact. The handauger holes were backfilled and may have settled and now hold water at the surface.

Current Corrective Action Items Related to the Leaking Tanks:

- As the tanks appear to have corroded further since our previous visit, BCEOC bottomed the tanks last night with a vacuum truck. Only limited fluids were present in the bottom of the tanks;
- The tanks will be hauled for disposal and replaced with inventory tanks that are intact;
- After the tanks are removed, BCEOC will assess the soil beneath the tanks to determine if the leaks were isolated to the tank sides or if the bottom of the tank was compromised;
- If soil impact is observed below the tanks that indicate the release(s) was reportable, BCEOC will file a Form 19 and begin the release assessment process;
- As part of the tank removal and soil remediation process, BCEOC will also remediate the soil staining at the wellhead as required in the inspection report.

The remaining items on the inspection report (stored chemicals, weeds, and used equipment) are being addressed by operations and will also be corrected prior to the November 16, 2014 deadline.

If you have any questions, please let me know.

Thanks,
Brian

Brian Dodek, P.G.

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