

Monument Global Resources, Inc.

Cache Unit Investigations

April 6, 2015

Spill #1:

NOAV #200379257

REM Project #7786

Spill/Release Report #200372184



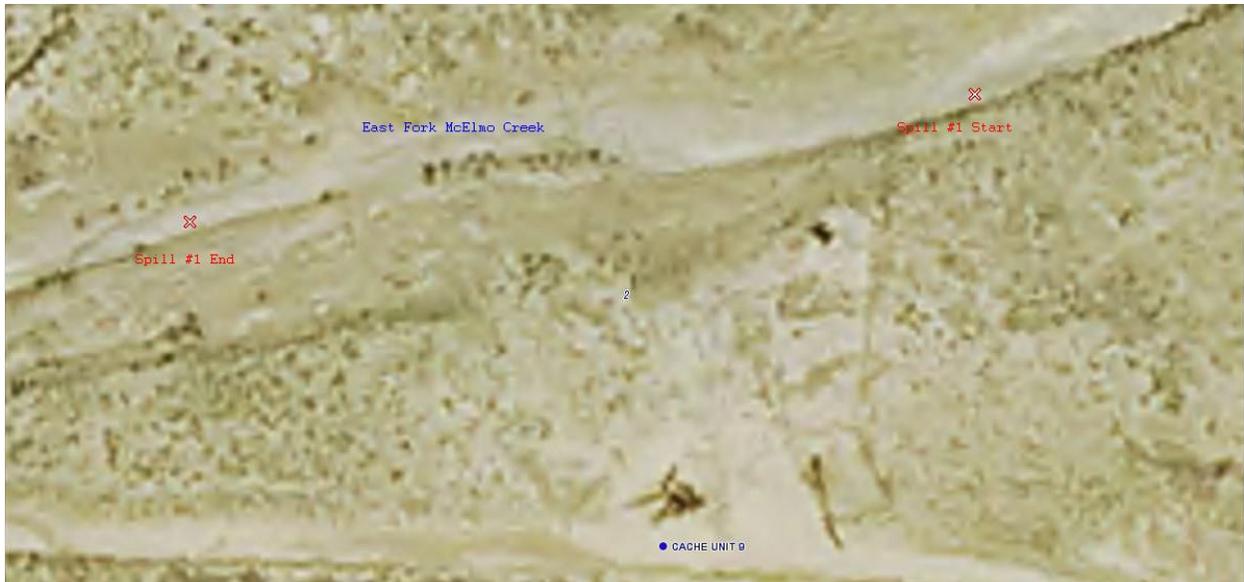
Approximate location where produced fluids entered the East Fork of McElmo Creek, from an underground flow line that had corroded. The East Fork of McElmo Creek is an intermittent stream. The streambed indicates that high energy flows occur during storm events. The Monument Global Cache Unit #9 pump jack is visible in the background. Remediation project #7786 indicates that contaminated soils were treated with Simple Green and high nitrogen content fertilizer.



Site of historic AST associated with Cache Unit #9 API #05-083-05148. Poly flow line on risers has replaced underground flow line where spill was generated from. Landowner, Corey Veach met COGCC SW EPS on March 24, 2015 to walk location and extent of releases.



View facing downstream (west) of Spill #1 in streambed of the East Fork of McElmo Creek. Cache Unit #9 is directly south of this location. No evidence of a release remains in the streambed or along the banks.



Aerial map showing extent of release. Coordinates were taken from field notes of Karen Spray's site inspection on 4/26/13. The East Fork of McElmo Creek flows from right to left.

Spill #2:

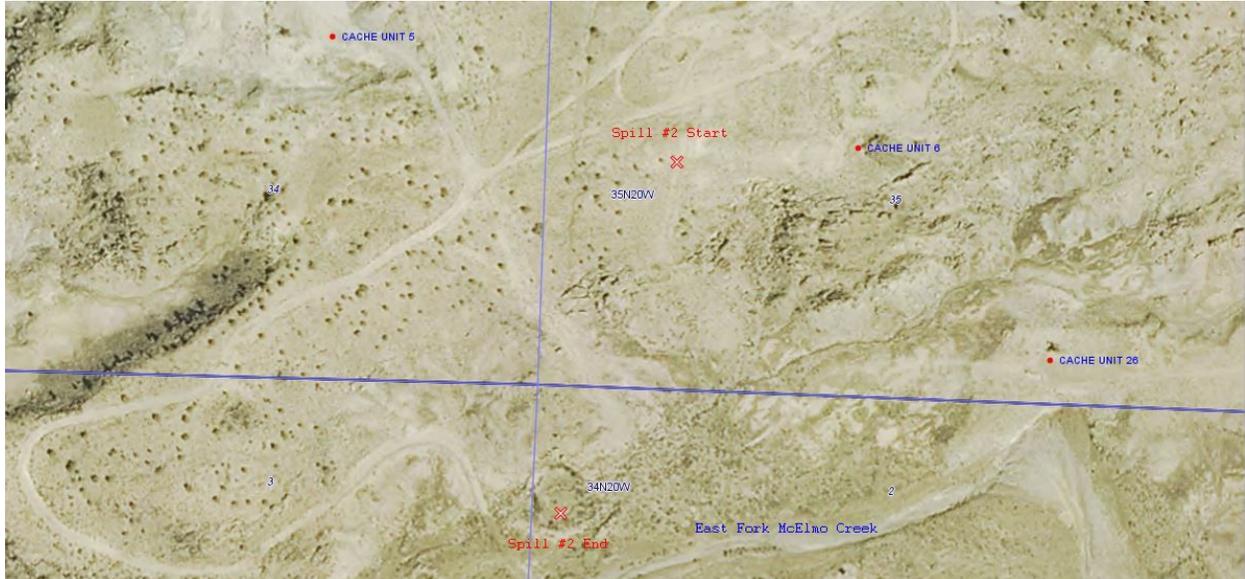
NOAV #200379270

REM Project #7787

Spill/Release Report #200372183



View from cliff face looking north towards Monument Global Cache Unit #6. Area impacted by Spill #2. A historic release from a corroded flow line was documented as the cause of this release. Remediation project #7787 indicates that the flow line was repaired and the impacted materials were treated with Simple Green and high nitrogen content fertilizer.



Aerial map showing extent of release. Produced fluids from spill #2 reportedly did not reach the East Fork of McElmo Creek.



Area where produced fluids ran over the cliff face. This area has had some surface disturbance.



Overturned rocks near edge of cliff are oil stained.



View to the south of impacted drainage and terrain where produced fluids flowed off of bluff.
Impacted material is visible in streambed, as well as on top of the bluff.



Impacted material from Spill #2 remains on top of the bluff west of the Monument Global Cache Unit #6.



Impacted rocks and soil in streambed of tributary drainage to the East Fork of McElmo Creek.



Wattles anchored across tributary drainage of the East Fork of McElmo Creek. This is the furthest extent reported for spill #2. Impacts from spill #2 are still present on top of the bluff and in the drainage below.

Spill #3:

REM Project #7906

Spill/Release Report #200381625



An underground flow line was discovered to be leaking on June 10, 2013.



Open excavation from Spill #3 in East Fork McElmo Creek valley. Underground flow line can be seen in pool of standing water. No sheen or odor noted during this inspection. Replacement poly flow line can be seen behind excavation.



Furthest extent of spill #3 and excavated material. Material was stock piled on Monument Global Cache Unit #26 location. Per conversation with Tom Fox, material has been moved to tank battery across the valley to be land farmed.



View to the south showing location of spill #3 in relation to the East Fork of McElmo Creek and the Cache Unit #9. Facility where impacted material has been transported to can be seen left of the pump jack in this photo.

Spill #1 Analytical Summary:

Spill #1 (200372184) was sampled by Souder Miller and Associates (SMA) on 5/23/13. Sample results indicated TPH levels in exceedance of Table 910-1 standards. This sample identified as “source” was re-sampled on 3/25/14 and the results indicated TPH levels were in compliance with Table 910-1.

Spill #2 Analytical Summary:

SMA collected samples of impacted material associated with spill #2 on 5/23/13. TPH levels of the sample identified as “source #2” exceed Table 910-1 standards. Electrical Conductivity (EC) results of this sample also exceed standards set forth by the COGCC. This site has no record of being re-sampled.

Samples labeled “Cliff bottom at wash” and “Collection pit at end” were sampled on 3/25/14. TPH concentration levels in these samples exceed Table 910-1 standards. Analytical results indicate that pH is above Table 910-1 standards at these locations. There is no record of re-sampling at these sites.

Spill #3 Analytical Summary:

On 6/13/13 SMA collected samples from spill #3. Samples identified as “Surface #1” and “Surface #2” had TPH concentration levels that exceed Table 910-1 standards. A sample collected on 3/25/14 labeled “soil stockpile” also had elevated TPH values. The “Surface #2” sample also contained benzene, toluene, and xylene concentration levels in exceedance of

COGCC standards. These three samples and a fourth labeled “Excavation”, contained elevated values for inorganics (EC, SAR, and pH)

Summary of Recent COGCC Involvement:

3/18/15 - Southwest field inspector Joe McLaren and southwest EPS Jim Hughes conducted a joint field inspection of the Monument Global Cache Units #6, #8 and #9.

3/24/15 - Phone conversation with Monument Global representative Tom Fox regarding remediation work performed to date. According to Mr. Fox, during remedial activities at the third spill, the landowner made Monument Global representatives leave his property. The open excavation of the underground flow line was left. Impacted material from this excavation was stock piled on the Cache Unit #26 location. This material was not present on site during a field visit on 3/27/15 by COGCC staff. Mr. Fox has stated that the material has been moved across the valley to the tank battery location, near the Cache Unit #20. Mr. Fox also described the locations and extent of the spills in the area.

3/27/15 - Phone conversation and site visit between landowner Corey Veach and SW EPS Jim Hughes. Mr. Veach and COGCC staff walked the area of the releases. Mr. Veach verbally gave Monument Global access to his land to complete remediation work. Mr. Veach expressed concerns about potentially impacted material at the site of the historic AST associated with the Cache Unit #9.

3/31/15 – Phone conversation with Shawna Chubbuck of SMA, requesting lab results of sampling program conducted in the Cache Unit on behalf of Monument Global.

Phone conversation with Monument Global representative Tom Fox regarding remediation plan for historic AST location near the Cache Unit #9. Mr. Fox stated that equipment will be brought in to excavate and remove impacted material. Mr. Fox was made aware of the landowner’s recently granted access for remediation efforts.