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gatherer

RECEIVED
MAR 13 1998
COG. OF OIL & GAS CONSV. COMM.

March 11, 1998

Ms. Robin Read
State of Colorado
Oil & Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

RE: PIT INVENTORY REPORTS

Dear Ms. Read:

Pursuant to your letters dated February 5, 1998 (see copies attached), Vessels Hydrocarbons, Inc. ("VHI") hereby submits completed Pit Inventory Forms for it's former Wattenberg facility and it's former Irondale facility (there was a separate letter addressed to "Irondale Gas Processing Co." but that company has not existed for several years and the processing plant formerly owned by it was subsequently acquired by VHI prior to it's final shutdown).

VHI did not previously submit reports related to these facilities because it was the understanding of our former environmental manager, Bill Pardee, that the pit inventory reports he was required to file on behalf of Vessels (which includes Vessels Oil & Gas Company and VHI) only required the reporting by operators of production produced water (i.e. oil and gas wells). Mr. Pardee did in fact file what he believed to be a complete inventory prior to December 31, 1995.

The eleven-page report was hand-delivered to COGCC by Mr. Pardee on December 18, 1995. He was told at that time that the documents looked complete. COGCC had no further contact with Vessels on this matter until your letters of February 5, 1998.

The following sets forth the more recent history of the two facilities:

IRONDALE PROCESSING FACILITY -

In 1995 there were two water pits at this site. In August of 1996 the processing facility at this site was shut-down. In late 1996 and earlier 1997 the two pits were pulled, destroyed, back-filled and all contaminated soil was remediated on site. The facility was then sold, effective January 1, 1997, to North American Resources Company (NARCO). NARCO shutdown the remaining compressor on this site in early to mid-1997. See Pit Inventory Form attached.

the exempt only in-effect was sold to NARCO

3/30/98 - Gatherers -

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VESSELS HYDROCARBONS, INC. - WATTENBERG FACILITY -

This facility was sold, effective January 1, 1997, to North American Resources Company (NARCO). This facility had a number of pits, sumps and underground concrete vaults. See Pit Inventory Form attached.

Prior to January 1, 1997, Vessels began a self-audit of this facility and based on certain findings from that audit, undertook specific steps to address its findings and initiated communications with Debbie Baldwin of your department.

More recently, Vessels has undergone a significant downsizing of its work force (a reduction in full-time permanent office staff from over twenty people to less than five). As a result, this letter is being submitted to you after your requested February 28, 1998 deadline.

Vessels did submit its Pit Inventory Form, in good-faith, prior to December 31, 1995. If it was incomplete, it was due to the Company's misunderstanding of the filing requirements and not its intentional disregard of the rules. Based on Vessels' interpretation and that of several other people with whom Vessels consulted, it was Vessels understanding that the rule requiring pit inventory did not apply to pits associated with its processing facilities.

Vessels has an excellent record of cooperation with the Commission (I believe that Debbie Baldwin would concur with this statement). Therefore, based on all of the items set forth above, Vessels respectfully requests that the Commission not assess or levy any fines against the Company.

If I can be of further assistance, please feel free to call me.

Sincerely,

VESSELS HYDROCARBONS, INC.
VESSELS OIL & GAS COMPANY

Richard A. Hartfield

Richard A. Hartfield
General Counsel

VHI
op#
93199

Irondale
op#
93195

Enclosures -
As stated

PIT INVENTORY FORM

Colorado Oil & Gas Conservation Commission
 1120 Lincoln Street, Suite 801, Denver, CO 80202
 Phone 303-894-2100 Fax 303-894-2109



Operator Name: Vessels Hydrocarbons, Inc.
 Contact: Rich Hartfield
 Address: Suite 2000 Prudential Plaza
 1050 Seventeenth Street
 Denver, CO 80265

new # 303-308-0011
 Phone: 303-825-3500

Fax: 303-825-1885

*Wastewater
 Narco is now landowner
 of site*

*what type?
 Wattenberg Plant
 gas processing plant - sold 9/97 to Narco
 that shut down.*

Fort Lupton Facility

Well/Facility Name	Location Vaults/Sumps	Pit Use	Type	Capacity	Net/Fence	Lined ?	Water Quality Background	Water Quality Prod Wtr	Sensitive Area ?	Tank Test Results	Final Status of Pit/Tank
Ft. Lupton Facility	1	Water	Concrete	2500 Gal.	Vault	No	No	No	No	-	-
Ft. Lupton Facility	3	Water	Concrete	1000 Gal.	Grate	No	No	No	No	-	-
Ft. Lupton Facility	4	Water	Concrete	4000 Gal.	Grate	No	No	No	No	-	-
Ft. Lupton Facility	7	Water	Concrete	1000 Gal.	Grate	No	No	No	No	-	-
Ft. Lupton Facility	8	Water	Concrete	1000 Gal.	Grate	No	No	No	No	-	-
Ft. Lupton Facility	9	Water	Concrete	1000 Gal.	Vault	No	No	No	No	-	-
Ft. Lupton Facility	11	Water	Concrete	1000 Gal.	Grate	No	No	No	No	-	-
Ft. Lupton Facility	12	Water	Concrete	1000 Gal.	Grate	No	No	No	No	-	-
Ft. Lupton Facility	13	Water	Concrete	2500 Gal.	Grate	No	No	No	No	-	-
Ft. Lupton Facility	14	Water	Concrete	2500 Gal.	Vault	No	No	No	No	-	-
Ft. Lupton Facility	15	Water	Concrete	1000 Gal.	Grate	No	No	No	No	-	-
Ft. Lupton Facility	17	Water	Concrete	2500 Gal.	Vault	No	No	No	No	-	-
Ft. Lupton Facility	19	Water	Concrete	1000 Gal.	Vault	No	No	No	No	-	-
Ft. Lupton Facility	4A	Oil	Steel	1500 Gal.	Vault	Yes	No	No	No	-	-
Ft. Lupton Facility	6	Oil	Steel	1500 Gal.	Vault	Yes	No	No	No	-	-
Ft. Lupton Facility	10	Oil	Steel	1500 Gal.	Vault	Yes	No	No	No	-	-
Ft. Lupton Facility	2	Oil & Ambitol	Steel	1500 Gal.	Vault	Yes	No	No	No	-	-
Ft. Lupton Facility	5	Oil & Ambitol	Steel	1500 Gal.	Vault	Yes	No	No	No	-	-

*facility shut down & reclaimed
 V
 gone!*

PIT INVENTORY FORM

Colorado Oil & Gas Conservation Commission
 1120 Lincoln Street, Suite 801, Denver, CO 80202
 Phone 303-894-2100 Fax 303-894-2109

Operator Name: Irondale Gas Processing Co.
 Contact: Rich Hartfield
 Address: Suite 2000 Prudential Plaza
 1050 Seventeenth Street
 Denver, CO 80265

Phone: 303-825-3500 Fax: 303-825-1885

*CO IS NOW
defunct*

*Vessels is landowner
of site*

NOV 13 1998

*Facility
Company*

pits were closed, vessels Hydro closed

Irondale Gas Processing Company

Well/Facility Name	Location Vaults/Sumps	Pit Use	Type	Capacity	Net/Fence	Lined ?	Water Quality Background	Water Quality Prod Wtr	Sensitive Area ?	Tank Test Results	Final Status of Pit/Tank
Irondale	<i>A</i> 1	Water	Concrete	2500 Gal.	Vault	No	No	No	No	-	-
Irondale	<i>B</i> 2	Water	Concrete	2500 Gal.	Vault	No	No	No	No	-	-

counter # 112510

*gone -
facility shut down
& reclaimed*