



STATE OF COLORADO

EnviroScan - DNR, OGCC <dnr_ogcc.enviroscan@state.co.us>

Fwd: FW: CACHE UNIT 8 UIC Well

1 message

Fischer - DNR, Alex <alex.fischer@state.co.us> Thu, Jun 18, 2015 at 10:58 AM
To: OGCC EnviroScan - DNR <dnr_ogcc.enviroscan@state.co.us>
Cc: Jim Hughes - DNR <jimo.hughes@state.co.us>

Please combine this email and attachment as one document and upload with the following information:

Unique identifier (REM/Spill/NOAV #, etc.): REM 7786, 7787, 7906
Document number (leave blank if one needs to be assigned):
Date received: June 18, 2015
Is data entry needed (Y/N): N
Notes: June 17, 2015 MG email to COGCC

----- Forwarded message -----
From: **Sherry Ferrell** <sferrell@monumentglobal.com>
Date: Wed, Jun 17, 2015 at 4:06 PM
Subject: FW: CACHE UNIT 8 UIC Well
To: alex.fischer@state.co.us
Cc: Kerry Smith <ksmith@monumentglobal.com>

Mr. Fischer,

Kerry sent the email below, but your email bounced back undeliverable. Please let me know if you receive.

Thank you,

Sherry Ferrell
Monument Global Resources, Inc.
12160 N Abrams Rd Ste 610
Dallas, TX 75243
O 214.691.1713 F 214.691.6822
sferrell@monumentglobal.com

From: Kerry Smith [<mailto:ksmith@monumentglobal.com>]
Sent: Wednesday, June 17, 2015 12:14 PM
To: 'jeremy.ferrin@state.co.us.'; 'alex.fisher@state.co.us'
Cc: pmorris@monumentglobal.com; Sherry Ferrell (sferrell@monumentglobal.com); sue@absmt.com
Subject:

Mr. Ferrin and Mr. Fisher,

It was just brought to my attention that the “.com” for my email address was cut off in your previous emails. In any case, we certainly have had no intention to ignore you or the attached letter. Part of this has been addressed and I am waiting on the documents for closure of the spills. I looked up Mr. Fishers number after receiving the letter and left a voice mail, but did not hear back. Mr. Fisher, please send me your contact information. I would like to coordinate with you to make sure that everything is done to satisfaction.

I apologize for not continuing to follow up with you. We will work to bring everything to your satisfaction ASAP. I look forward to hearing from you.

Best Regards,



Kerry W Smith

12160 North Abrams Rd

Suite 610

Dallas, TX 75243

O [214. 691. 1713](tel:214.691.1713)

F [214. 691. 6822](tel:214.691.6822)

C [575.937.8001](tel:575.937.8001)

ksmith@monumentglobal.com

www.monumentglobal.com

This e-mail (including any attachments) may contain information that is private, confidential, or protected by attorney-client or other privilege. If you received this e-mail in error, please delete it from your system without copying it and notify sender by reply e-mail, so that our records can be corrected.

From: Ferrin - DNR, Jeremy [<mailto:jeremy.ferrin@state.co.us>]
Sent: Wednesday, June 17, 2015 10:49 AM
To: pmorris@monumentglobal.com; Sue Smith; milne@progressivepcs.net; llindow@progressivepcs.net
Cc: Britta Beckstead
Subject: Fwd: CACHE UNIT 8 UIC Well

All,

Please see the forwarded email below that was unsuccessfully sent to Kerry Smith. I might also add that Monument is facing an environmental enforcement action related to the attached warning letter that is similarly accruing daily penalties.

Thanks,

Jeremy I Ferrin
Enforcement Officer



P 303.894.2100 x5186 | F 303.894.2109
1120 Lincoln Street, Suite 801, Denver, CO 80203
jeremy.ferrin@state.co.us | www.colorado.gov/cogcc

----- Forwarded message -----

From: Ferrin - DNR, Jeremy <jeremy.ferrin@state.co.us>
Date: Wed, Jun 17, 2015 at 9:32 AM
Subject: CACHE UNIT 8 UIC Well
To: ksmith@monumentglobal.com
Cc: Bob Koehler - DNR <bob.koehler@state.co.us>, Chuck Browning - DNR <chuck.browning@state.co.us>, Stuart Ellsworth - DNR <stuart.ellsworth@state.co.us>, Steve Labowskie - DNR <steve.labowskie@state.co.us>, Britta Beckstead <Britta.K.Beckstead@state.co.us>

Mr. Smith,

Myself and Britta Beckstead from the AG's Office (cc-ed) will be prosecuting Notice of Alleged Violation No. 200427365 for Monument's apparent refusal to repair or plug the CACHE UNIT 8 UIC Well. A notice of hearing will be served on Monument soon. I'm writing to notify you that until Monument complies, Monument will be facing daily penalties for failing to comply with the NOAV and inspections requiring that this well be repaired or plugged. I'm also writing to make you aware that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation. We

expect Monument to move expeditiously to remedy this situation.

If you have any questions please let us know.

Thanks,

Jeremy I Ferrin
Enforcement Officer



P [303.894.2100](tel:303.894.2100) x5186 | F [303.894.2109](tel:303.894.2109)
1120 Lincoln Street, Suite 801, Denver, CO 80203
jeremy.ferrin@state.co.us | www.colorado.gov/cogcc

—

Alex Fischer, P.G.

Environmental Supervisor, Western Colorado



P [303.894.2100](tel:303.894.2100) x5138 | F [303.894.2109](tel:303.894.2109)

1120 Lincoln Street, Suite 801, Denver, CO 80203

| alex.fischer@state.co.us www.colorado.gov/cogcc



FINAL Monument Cache Unit Warning Letter_20150507ajf with signature.pdf
97K



WARNING LETTER Document Number 2533889

Date: May 7, 2015

Via Certified Mail 7014 0510 0002 0093 9098

Monument Global Resources Inc. (Operator No. 10430) (“Monument”)
Kerry Smith, ksmith@monumentglobal.com
12160 N. Abrams Rd., Suite 610
Dallas, TX 75243

Spill 1: Cache Unit 9, NWNW Sec 2 T34N R20W, Montezuma County, Colorado
Spill 2: Cache Unit 6, SWSW Sec 35 T35N R20W, Montezuma County, Colorado
Spill 3: Cache Unit 9, NWNW Sec 2 T34N R20 W, Montezuma County, Colorado
Spill 4: Cache Unit 9 NWNW Sec 2 T34N R20 W, Montezuma County, Colorado

This Warning Letter is to inform you that the oil and gas facility or the oil and gas operations listed above may be in violation of the rules and regulations of the Colorado Oil and Conservation Commission (“COGCC”) and corrective action is required.

There is reasonable cause to believe that a violation of the Oil and Gas Conservation Act, or of any rule, regulation, or order of the Commission, or of any permit issued by the Commission, has occurred. The Operator’s compliance with this Warning Letter is required to resolve these alleged violations. This document requires the Operator to timely respond to the COGCC and to comply with directives as listed by the **Corrective Action Deadline Date**. Failure to do so will result in the issuance of a Notice of Alleged Violation and initiation of enforcement proceedings in which COGCC will seek monetary penalties for the alleged violations pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1.

The COGCC requires Monument to implement corrective action(s) for the conditions identified below.

Spill #1: Remediation Project #7786, Spill/Release Report #200372184

After receiving the complaint on April 19, 2013, Staff inspected the site on April 26, 2013 (Doc. No. 200372184, “Field Visit/Follow Up”). Staff observed that the spill/release had reached East McElmo Creek, a water of the state, and that visual impacts of the spill/release was still present in the creek bottom – as far as 600 feet downstream. Complete spill remediation had also not



occurred by that time. In addition, the damaged flowline had been replaced, but the joints on the old line showed evidence of oil leakage and were in poor condition.

On March 18, 2015, COGCC Staff inspected the site of Spill #1 and did not observe evidence of impacts remaining. The approved Form 27 Remediation Work Plan indicated that impacted materials were to be treated with Simple Green and high nitrogen content fertilizer. No evidence of the spill/release remained in the streambed or along the banks. However, Monument has not documented and submitted to COGCC what actions were taken or are planned.

Spill #2: Remediation Project #7787, Spill/Release Report #200372183

After receiving the complaint on April 19, 2013, Staff inspected the site on April 26, 2013 (Doc. No. 200372183, "Field Visit/Follow Up"). Staff observed that the spill/release had reached a tributary of McElmo Creek, a water of the state, and that the spill/release was still present in the tributary and had traveled approximately a quarter mile downstream. Complete spill remediation had also not occurred by that time. In addition, the damaged flowline had been replaced, but the joints on the old line showed evidence of oil leakage.

On March 18, 2015, COGCC Staff inspected the site of Spill #2 and observed that the flowline had been repaired. Additionally, along portions of the spill/release path, Staff observed signs of surface disturbance, oil-staining on overturned rocks, and visible impacted material in the streambed and on the top of the bluff. Based on samples taken on March 25, 2014 by Monument Global's consultant, total petroleum hydrocarbons (TPH) concentration levels and the pH in the soil samples at this site exceed Table 910-1 standards. Further remediation is necessary to bring the site in compliance with COGCC Rules. The approved Form 27 Remediation Work Plan indicated that impacted materials were to be treated with Simple Green and high nitrogen content fertilizer.

Spill #3: Remediation Project #7906, Spill/Release Report #200381625

On June 10, 2013, an underground flow line was discovered to be leaking in the East McElmo Creek valley. On June 13, 2013, soil samples were collected that showed the spill/release site had levels of TPH, benzene, toluene, xylene (BTEX), and inorganics (EC, SAR, and pH) above Table 910-1 standards. On March 18, 2015, COGCC Staff observed that Monument replaced the flowline and had begun remediation efforts by excavating the impacted material. Further clean-up and remediation is necessary to bring the site in compliance with COGCC Rules.



Spill #4: Cache Unit #9 historic AST location

On March 18, 2015, COGCC Staff observed staining on the ground surface in the area where a former aboveground storage tank (AST) at the Cache Unit #9 Well was located. This spill/release was not reported to COGCC or remediated.

How to Comply with this Warning Letter:

COGCC Environmental Staff met with Mr. Corey Veach (Surface Owner) on March 27, 2015. Mr. Veach conveyed verbal permission for Monument Global to access the property in order to address the outstanding issues outlined below.

Spill #1: Remediation Project #7786, Spill/Release Report #200372184:

- Submit a supplemental report to remediation project #7786 detailing work performed to date, corrective actions taken (including type and quantity of product(s) used for remediation), and any future work plans. **Corrective Action Deadline Date: June 8, 2015.**
- Request “No Further Action”. **Corrective Action Deadline Date: June 8, 2015.**

Spill #2: Remediation Project #7787, Spill/Release Report #200372183:

- Further remediation is necessary to address contamination still on location. Landowner’s verbal permission to access property has been granted. **Corrective Action Deadline Date: June 8, 2015.**
- Submit a supplemental report to remediation project #7787 to address activities performed to date, products and quantities used, and any future work plans. **Corrective Action Deadline Date: June 8, 2015.**

Spill #3: Remediation Project #7906, Spill/Release Report #200381625:

- Collect confirmation samples and provide analytical results to COGCC. Results from 2013 sampling event indicate TPH, BTEX, PAH, inorganics, and boron levels in excess of Table 910-1 standards. **Corrective Action Deadline Date: June 8, 2015.**
- Remove decommissioned flow line to prevent future impacts. **Corrective Action Deadline Date: June 8, 2015.**



- Once confirmation samples are in accordance with Table 910-1, backfill the excavation with clean fill dirt. **Corrective Action Deadline Date: June 30, 2015.**
- Submit a supplemental report to remediation project #7906 detailing work performed, corrective actions taken, volume and disposition of material removed, and any future work plans. **Corrective Action Deadline Date: July 15, 2015.**
- Document how soil stock pile was treated, where it was stored, and disposed, and future remediation plans, if any. **Corrective Action Deadline Date: July 15, 2015.**
- Request “No Further Action”. **Corrective Action Deadline Date: July 15, 2015.**

Spill #4: Cache Unit #9 historic AST location:

- Submit a Form 19 to report historic release in the area where the former above ground storage tank (AST) was located. **Corrective Action Deadline Date: 10-days of receipt of this letter.**
- Submit a Form 27 to address extent of impact and subsequent remediation of this location. **Corrective Action Deadline Date: Within 30-days of receipt of this letter.**

COGCC does not endorse or recommend products or services. However, in order to facilitate remediation, Monument may consider using ESHC Hydrocarbon Cleaner/Degreaser and/or ESHD Hydrocarbon Degradar. Attached are cut sheets regarding these products which have been effective in addressing impacted materials at challenging locations.

Failure to Comply with Warning Letter:

If Monument fails to perform required corrective actions, COGCC will issue a Notice of Alleged Violation and seek penalties pursuant to § 34-60-121, C.R.S. and Rule 523, COGCC Rules of Practice and Procedure, 2 CCR 404-1. (Please note that the COGCC's penalty authority was recently increased to a maximum of \$15,000 per day and penalties are no longer capped at a maximum of \$10,000 per violation.)



If you have any questions about this Warning Letter, please contact the COGCC representative below.

Sincerely,



Alex Fischer, P.G., Environmental Supervisor – Western Colorado
alex.fischer@state.co.us

CC: Julie Murphy, Hearings Manager
Jeremy Ferrin, Enforcement Officer
Greg Deranleau, Environmental Manager
Jim Hughes, SW Environmental Protection Specialist
Corey Veach, Surface Owner
26899 Road H
Cortez, CO 81321
[970-749-0819](tel:970-749-0819), e mail address: bugleshy@hotmail.com.

Attachments: April 6, 2015 Cache Unit Investigation, Document Number 2533890
Earthsmart Solutions data sheet.

