



DEPARTMENT OF NATURAL RESOURCES
 Bill Owens, Governor
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January 2, 2007



Mr. Ryan Warner
 Operations Manager
 Magpie Operating, Inc.
 2707 South County Road 11
 Loveland, CO 80537

RE: Challis #1 Pit Closure / Remediation #3671
 SWSW Section 34 – T4N – R59 W
 Morgan County, Colorado

Dear Mr. Warner:

The Colorado Oil and Gas Conservation Commission (COGCC) received an Environmental Investigation Report for the subject site on October 20, 2006. Based on the analytical results from soil samples collected at the former disposal pit, remediation of impacted soils is required. The report recommends excavation of all impacted soil and treatment on site using enhanced landfarming. The site is considered to be located in a sensitive area.

The remediation approach is approved with the following conditions:

- The samples collected from the former disposal pit do not sufficiently define the lateral and vertical extent of contamination at the site. After the contaminated soil has been excavated, collect additional soil samples from the limits of the excavation to verify that all impacted soils have been removed. Refer to COGCC Rule 909 *Site Investigation, Remediation and Closure* and Rule 910 *Allowable Concentrations and Sampling for Soil and Ground Water*. At a minimum, collect two soil samples from the bottom of the excavation and one soil sample from each side wall of the excavation. Each soil sample shall be analyzed for Total Recoverable Petroleum Hydrocarbons (TRPH), Sodium Adsorption Ratio (SAR), Electrical Conductivity (EC), and pH. Submit laboratory results and a site map showing the confirmation soil sample locations as well as the final dimensions of the excavation.
- If shallow groundwater is encountered during excavation of impacted soils, a representative groundwater sample shall be collected and analyzed for BTEX.

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- Onsite land treatment of excavated soils must be conducted in accordance with Rule 907.e.(2). Additionally, Rule 907.e.(2).E. states that land-treated oily waste incorporated in place shall not exceed the allowable concentrations and levels in Table 910-1. Therefore, soil samples must be collected from the treated soils and submitted for laboratory analyses in order to confirm remedial success. Submit laboratory results and a site map showing the land treatment area and soil sample locations.
- Due to the location of the former disposal pit adjacent to Bijou Creek, assure that the land-treatment area is located or protected in such a way that it is not susceptible to flooding or storm water flows.
- Notify the COGCC at least 48 hours prior to remediation and associated sampling activities in order for the COGCC to witness.

Should you have any questions, please call me at 303-637-7178.

Sincerely,



John E. Axelson, P.G.
Environmental Protection Specialist

Cc: Brian Macke – COGCC Director
Debbie Baldwin - COGCC Environmental Manager
Randall Ferguson – COGCC