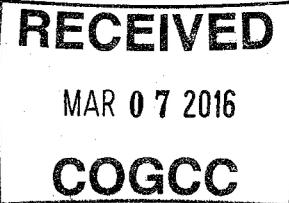




COLORADO

Department of Public
Health & Environment

Dedicated to protecting and improving the health and environment of the people of Colorado



February 26, 2016

Prowers Gas Gathering Co LLC
Attn: Arthur Pansze
1717 Washington Avenue
Golden, CO 80401

Re: Compliance Assistance for NEU Compressor Station
COGCC Facility ID 444661
County Road 14, Prowers County, CO
SW/PRW/NCS 1.8

Dear Mr. Pansze:

This letter provides information to help you address the release of non-exploration and production (E&P) waste petroleum products at the NEU Compressor Station (the Facility) located adjacent to County Road 14 in Prowers County Colorado. The Facility is operated by Prowers Gas Gathering Co LLC.

Based on information provided to the Colorado Department of Public Health and Environment (CDPHE), Hazardous Materials and Waste Management Division (the Division) earlier today, a previous version of this letter was incorrectly addressed to Berry Energy Inc.

Inspections of the Facility conducted by Colorado Oil and Gas Conservation Commission (COGCC) staff on January 28, 2016, February 5, 2016, and February 17, 2016 indicate that soils beneath and adjacent to equipment at the site were impacted by the release of lube oil due to improper storage, leaking equipment, and poor housekeeping practices. Photographs of the site taken by the COGCC also depict an above ground storage tank (AST) possibly containing diesel with stained soils below, a small oil puddle, oil soaked rags, and at least one leaking steel drum.

The Division advises you that based on the above information, you may have violated Colorado's solid waste laws with respect to the Solid Wastes Disposal Sites and Facilities Act, CRS 30-20-100.5 *et. seq.*, and the Regulations Pertaining to Solid Waste Sites and Facilities (6 CCR 1007-2, Part 1; the Regulations).

The Division has several concerns related to the subject non-E&P petroleum releases which constitute improper waste disposal. Some primary concerns include:

- Potential surface water and ground water impacts.
- Potential hazards related to human or wildlife contact with the waste and associated vapors.
- Potential fire hazards.
- The illegal disposal of liquid and solid waste in violation of the Regulations.

To help address these issues, the Division is requesting the following:

1. If not already completed, remove the petroleum impacted soils, rags, potentially defective drums, and other potential solid wastes, and properly dispose of these materials at a permitted landfill in accordance with all applicable federal, state, and local regulations within sixty (60) days. Depending on the types of petroleum products released, operator knowledge, and landfill requirements, sample collection and analytical testing may be necessary to obtain disposal approval.

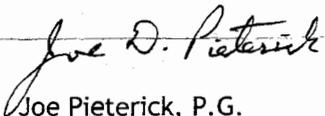


2. Following excavation of the impacted soils exhibiting petroleum staining and odors, collect soil samples from the base of each excavation cavity in the drum storage area, in the affected equipment area, and from below the AST location. At a minimum, each soil sample is to be tested for benzene, toluene, ethylbenzene and xylenes (BTEX); diesel range organics (DRO); and oil and grease (O&G). In addition, please submit the sample or samples exhibiting the highest DRO and O&G concentrations for polynuclear aromatic hydrocarbon (PAH) analysis. Soils exhibiting BTEX and/or PAH concentrations greater than the protection values listed on CDPHE's *Groundwater Protection Values Soil Cleanup Table* dated March 2014 (available on the CDPHE website) are to be removed. If groundwater is encountered at the base of an excavation cavity, collect a ground water sample and have it analyzed for BTEX and PAHs. All sample collection, sample handling, and analytical testing activities are to be conducted in general accordance with CDPHE guidelines. Additional information is available in the *Emergency Petroleum Spill Waste Management Guidance* document dated January 2014 published by the CDPHE.
3. To avoid future petroleum product releases, conduct the necessary equipment and piping repairs if not already completed.
4. Properly label and store drums and other containers. This may require installation of a catch basin or other appropriate engineering control for secondary containment in the storage area and below the AST.
5. Following completion of the above activities, submit a Cleanup Report to the Division, and a copy to the COGCC, within thirty (30) days of waste disposal to document these activities. At a minimum, the Report should include a description of the waste removal activities; the analytical results; diagrams illustrating the site features, excavation dimensions, and analytical results; photos of the excavation areas; and copies of the landfill disposal receipts.

To help resolve the above issues, you are encouraged to complete the requested actions, including the required submittals, within the noted timeframes. However, this letter does not constitute a bar to enforcement action for non-compliance, if necessary. We appreciate your cooperation.

Please feel free to contact either Joe Pieterick at 303-692-3355 or Ed Smith at 303-692-3386 with any questions.

Sincerely,



Joe Pieterick, P.G.
Environmental Protection Specialist
Solid Waste Compliance Assurance Unit
Solid and Hazardous Waste Program



Ed Smith
Unit Leader
Solid Waste Compliance Assurance Unit
Solid and Hazardous Waste Program

CC: John Axelson, COGCC
Jason Kosola, COGCC
Michael Cruson, Berry Energy Inc