

State of Colorado
Oil and Gas Conservation Commission

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Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

401651668

Date Received:

05/23/2018

Spill report taken by:

CHESSON, BOB

Spill/Release Point ID:

455149

SPILL/RELEASE REPORT (SUPPLEMENTAL)

This form is to be submitted by the party responsible for the oil and gas spill or release. Refer to COGCC Rule 906.b. for reporting requirements of spills or releases of E&P Waste or produced fluids. Submit a Site Investigation and Remediation Workplan (Form 27) when requested by the Director.

OPERATOR INFORMATION

Name of Operator: <u>HIGHLANDS NATURAL RESOURCES CORPORATION</u>	Operator No: <u>10625</u>	Phone Numbers
Address: <u>220 JOSEPHINE STREET</u>		Phone: <u>()</u>
City: <u>DENVER</u>	State: <u>CO</u>	Zip: <u>80206</u>
Contact Person: <u>Stephen Miller</u>		Mobile: <u>(361) 2309375</u>
		Email: <u>stephen.miller@highlandsnr.com</u>

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 401648426

Initial Report Date: 05/21/2018 Date of Discovery: 05/21/2018 Spill Type: Recent Spill

Spill/Release Point Location:

Location of Spill/Release: QTRQTR NESE SEC 15 TWP 5S RNG 64W MERIDIAN 6

Latitude: 39.614805 Longitude: -104.530993

Municipality (if within municipal boundaries): _____ County: ARAPAHOE

Reference Location:

Facility Type: WELL PAD Facility/Location ID No 449920

Spill/Release Point Name: Highlands 5-64 15-16 Pad No Existing Facility or Location ID No.

Number: _____ Well API No. (Only if the reference facility is well) 05- -

Fluid(s) Spilled/Released (please answer Yes/No):

Was one (1) barrel or more spilled outside of berms or secondary containment? Yes

Secondary containment, including walls & floor regardless of construction material, must be sufficiently impervious to contain any discharge from primary containment until cleanup occurs.

Were Five (5) barrels or more spilled? No

Estimated Total Spill Volume: use same ranges as others for values

Estimated Oil Spill Volume(bbl): 0 Estimated Condensate Spill Volume(bbl): 0

Estimated Flow Back Fluid Spill Volume(bbl): 0 Estimated Produced Water Spill Volume(bbl): 0

Estimated Other E&P Waste Spill Volume(bbl): 0 Estimated Drilling Fluid Spill Volume(bbl): >=1 and <5

Specify: 3 BBL OF OIL BASED MUD

Land Use:

Current Land Use: NON-CROP LAND Other(Specify): _____

Weather Condition: CLEAR

Surface Owner: STATE Other(Specify): _____

Check if impacted or threatened by spill/Release (please answer Yes/No to all that apply):

Waters of the State Residence/Occupied Structure Livestock Public Byway Surface Water Supply Area

As defined in COGCC 100-Series Rules

Describe what is known about the spill/release event (what happened -- including how it was stopped, contained, and recovered):

A valve failure in the flow-line resulted in 3 bbl of Oil Based Mud spilled outside containment. The leak was shut immediately and the spill was contained and cleaned.

List Agencies and Other Parties Notified:

OTHER NOTIFICATIONS

Date	Agency/Party	Contact	Phone	Response
5/21/2018	COGCC	Susan Sherman	719-7751111	No Answer - Left a Voice Mail with information about the spill. Also sent a Text Message

Was there a Grade 1 Gas Leak associated with this E & P waste spill or release? Yes No

If YES, enter the Document Number of the Initial Grade 1 Gas Leak Report Form 44: _____

Was there a reportable accident associated with this E & P waste spill or release? Yes No

If YES, enter the Document Number of the Initial Accident Report, Form 22: _____

SPILL/RELEASE DETAIL REPORTS

#1 Supplemental Report Date: 05/23/2018

FLUIDS	BBL's SPILLED	BBL's RECOVERED	Unknown
OIL	<u>0</u>	<u>0</u>	<input type="checkbox"/>
CONDENSATE	<u>0</u>	<u>0</u>	<input type="checkbox"/>
PRODUCED WATER	<u>0</u>	<u>0</u>	<input type="checkbox"/>
DRILLING FLUID	<u>3</u>	<u>3</u>	<input type="checkbox"/>
FLOW BACK FLUID	<u>0</u>	<u>0</u>	<input type="checkbox"/>
OTHER E&P WASTE	<u>0</u>	<u>0</u>	<input type="checkbox"/>

specify: _____

Was spill/release completely contained within berms or secondary containment? NO Was an Emergency Pit constructed? NO

Secondary containment, including walls & floor regardless of construction material, must be sufficiently impervious to contain any discharge from primary containment until cleanup occurs.

A Form 15 Pit Report shall be submitted within 30 calendar days after the construction of an emergency pit

Impacted Media (Check all that apply) Soil Groundwater Surface Water Dry Drainage Feature

Surface Area Impacted: Length of Impact (feet): 15 Width of Impact (feet): 15

Depth of Impact (feet BGS): _____ Depth of Impact (inches BGS): _____

How was extent determined?

Measurements were taken of the affected area. This was confirmed by the volumetric amount removed during cleanup

Soil/Geology Description:

Truckton Loamy Sand, 5 to 20 percent slopes

Depth to Groundwater (feet BGS) 20 Number Water Wells within 1/2 mile radius: 0

If less than 1 mile, distance in feet to nearest Water Well 3230 None Surface Water 1260 None

Wetlands _____ None Springs _____ None

Livestock 3300 None Occupied Building _____ None

Additional Spill Details Not Provided Above:

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CORRECTIVE ACTIONS#1 Supplemental Report Date: 05/23/2018Cause of Spill (Check all that apply) Human Error Equipment Failure Historical-Unknown
 Other (specify) _____

Describe Incident & Root Cause (include specific equipment and point of failure)

During horizontal drilling operations by Highlands Natural Resources on the morning of 5/21/2018 just before 12:00 pm. The drilling rig was in the process of pumping a bottoms-up when a valve in the flow line slammed shut causing the line to part. As a result, approximately 3 bbls of oil based drilling fluid was released outside of the containment area. The release was noticed immediately and drilling operations ceased, the well was shut-in via the Annular and Superchoke BOP, and all crew were deployed to contain and clean the release. As per Highlands Natural Resources SOP, spill clean-up/containment kits were nearby and fully stocked. The spill was contained, documented, and then promptly the affected area was cleaned.

Describe measures taken to prevent the problem(s) from reoccurring:

Further investigation showed that the butterfly valve did not have a valve lock and surging in the flowline caused it to slam shut. To prevent any further instances, all the valves in the flowline system were then evaluated and valve locks were verified to be engaged, or a valve with a lock was installed.

Volume of Soil Excavated (cubic yards): 25Disposition of Excavated Soil (attach documentation) Offsite Disposal Onsite Treatment
 Other (specify) _____Volume of Impacted Ground Water Removed (bbls): 0Volume of Impacted Surface Water Removed (bbls): 0**REQUEST FOR CLOSURE****Spill/Release Reports should be closed when impacts have been remediated or when further investigation and corrective actions will take place under an approved Form 27.**Basis for Closure: Corrective Actions Completed (documentation attached) Work proceeding under an approved Form 27

Form 27 Remediation Project No: _____

OPERATOR COMMENTS:

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I hereby certify all statements made in this form are to the best of my knowledge true, correct, and complete.

Signed: _____ Print Name: Stephen MillerTitle: VP of Operations Date: 05/23/2018 Email: stephen.miller@highlandsnr.com**COA Type****Description**

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Attachment Check List

Att Doc Num	Name
401651668	SPILL/RELEASE REPORT(SUPPLEMENTAL)
401651676	OTHER

Total Attach: 3 Files

General Comments

User Group	Comment	Comment Date
		Stamp Upon Approval

Total: 0 comment(s)