

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

402363317

Date Received:

04/07/2020

Spill report taken by:

CANFIELD, CHRIS

Spill/Release Point ID:

472995

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: VERDAD RESOURCES LLC | Operator No: 10651 | Phone Numbers |
| Address: 5950 CEDAR SPRINGS ROAD | | Phone: (720) 8456901 |
| City: DALLAS State: TX Zip: 75235 | | Mobile: () |
| Contact Person: Michael Cugnetti | | Email: mcugnetti@verdadresources.com |

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 402335746

Initial Report Date: 03/08/2020 Date of Discovery: 03/08/2020 Spill Type: Recent Spill

Spill/Release Point Location:

QTRQTR NWSE SEC 12 TWP 1N RNG 65W MERIDIAN 6

Latitude: 40.064786 Longitude: -104.610733

Municipality (if within municipal boundaries): County: WELD

Reference Location:

Facility Type: WELL PAD Facility/Location ID No 469568

Spill/Release Point Name: Safi 1224 Well API No. (Only if the reference facility is well) 05- -

No Existing Facility or Location ID No.

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? Yes

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): >=5 and <100 |

Specify:

Land Use:

Current Land Use: CROP LAND Other(Specify):

Weather Condition: Clear

Surface Owner: FEE 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):

Discharge pipe from centrifuge at the drilling rig disconnected. Allowed 20 BBLs of drilling mud to escape before discovery and spill was stopped. Dirt berms were built around area to contain spill within a 30 foot by 30 foot area. Cleanup started immediately. All impacted pad surface road base will be removed and properly disposed of.

List Agencies and Other Parties Notified:

OTHER NOTIFICATIONS

Table with 5 columns: Date, Agency/Party, Contact, Phone, Response. Row 1: 3/8/2020, Weld County, Weld OEM Spill Report, -, Received

Was there a Grade 1 Gas Leak? Yes [] No [X]

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

Was there a reportable accident associated with either a Grade 1 Gas Leak or an E&P waste spill or release? Yes [] No [X]

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

Was there damage during excavation? Yes [] No [X]

If YES, was CO 811 notified prior to excavation? Yes [] No []

SPILL/RELEASE DETAIL REPORTS

Form containing spill details: #1, Supplemental Report Date: 04/06/2020, FLUIDS table (OIL, CONDENSATE, PRODUCED WATER, DRILLING FLUID, FLOW BACK FLUID, OTHER E&P WASTE), containment status (NO), emergency pit status (NO), impacted media (Soil checked), impact dimensions (Length: 30, Width: 30, Depth: 0), and extent determination (visual observation).

Wetlands 638 None

Springs None

Livestock 2880 None

Occupied Building 1799 None

Additional Spill Details Not Provided Above:

Empty box for additional spill details.

CORRECTIVE ACTIONS

#1 Supplemental Report Date: 04/06/2020

Root Cause of Spill/Release Pipe, Weld, or Joint Failure

Other (specify) _____

Type of Equipment at Point of Spill/Release: Other

If "Other" selected above, specify or describe here:

Centrifuge

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

The PVC pipe that connects below the centrifuge and transports clean fluids back to the mud tanks, became disengaged, and the effluent was discharged onto the ground. It is estimated that it ran like this 5 to 10 minutes before it was discovered. The machine was immediately shut off and clean up began. Pipe likely came loose from vibration.

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

Pipe reattached securely and extra operator brought onsite so someone will be observing the centrifuge operation at all times.

Volume of Soil Excavated (cubic yards): 6

Disposition of Excavated Soil (attach documentation) Offsite Disposal Onsite Treatment

Other (specify) _____

Volume of Impacted Ground Water Removed (bbls): 0

Volume 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:

Empty box for operator comments.

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

Signed: _____ Print Name: Michael Cugnetti

Title: Director of EHS&R Date: 04/07/2020 Email: mcugnetti@verdadresources.com

COA Type**Description**

| | |
|--|--|
| | Based on the information presented, it appears that no further action is necessary at this time and the COGCC approves the closure request. However, should future conditions at the site indicate contaminant concentrations in soils exceeding COGCC standards or if ground water is found to be impacted, then further investigation and/or remediation activities may be required. |
|--|--|

Attachment Check List**Att Doc Num****Name**

| | |
|-----------|------------------------------------|
| 402363317 | SPILL/RELEASE REPORT(SUPPLEMENTAL) |
| 402363324 | DISPOSAL MANIFEST |
| 402363325 | DISPOSAL MANIFEST |
| 402363326 | ANALYTICAL RESULTS |
| 402363343 | OTHER |
| 402364230 | SITE MAP |
| 402364487 | FORM 19 SUBMITTED |

Total Attach: 7 Files

General Comments**User Group****Comment****Comment Date**

| | | |
|--|--|---------------------|
| | | Stamp Upon Approval |
|--|--|---------------------|

Total: 0 comment(s)