

State of Colorado Oil and Gas Conservation Commission

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



Document Number:

402403974

Date Received:

05/27/2020

Spill report taken by:

YOUNG, ROB

Spill/Release Point ID:

475035

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>VERDAD RESOURCES LLC</u> | Operator No: <u>10651</u> | Phone Numbers |
| Address: <u>5950 CEDAR SPRINGS ROAD</u> | | Phone: <u>(720) 845-6901</u> |
| City: <u>DALLAS</u> State: <u>TX</u> Zip: <u>75235</u> | | Mobile: <u>()</u> |
| Contact Person: <u>Michael Cugnetti</u> | | Email: <u>mcugnetti@verdadresources.com</u> |

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 402360892

Initial Report Date: 04/02/2020 Date of Discovery: 04/02/2020 Spill Type: Recent Spill

Spill/Release Point Location:

QTRQTR SESE SEC 25 TWP 9N RNG 60W MERIDIAN 6Latitude: 40.715214 Longitude: -104.035478Municipality (if within municipal boundaries): _____ County: WELD

Reference Location:

Facility Type: OIL AND GAS LOCATION☒ Facility/Location ID No 432177Spill/Release Point Name: SHULL 1-25-9-60 PAD☐ 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): >=5 and <100Estimated Condensate Spill Volume(bbl): 0Estimated Flow Back Fluid Spill Volume(bbl): 0Estimated Produced Water Spill Volume(bbl): 0Estimated Other E&P Waste Spill Volume(bbl): 0Estimated Drilling Fluid Spill Volume(bbl): 0

Specify: _____

Land Use:

Current Land Use: NON-CROP LAND

Other(Specify): _____

Weather Condition: Cloudy, coldSurface 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):

Treater gasket failed releasing approximately 10 BBLs of oil. Well was shut in leak stopped and spill is contained on location. Clean up is underway.

List Agencies and Other Parties Notified:

OTHER NOTIFICATIONS

| Date | Agency/Party | Contact | Phone | Response |
|----------|--------------|---------------------|-------|-----------------|
| 4/2/2020 | Landowner | Mr. Mike Shull | - | acknowledgement |
| 4/2/2020 | Weld County | online notification | - | acknowledgement |

Was there a Grade 1 Gas Leak? Yes ☐ No ☒

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 ☒

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

Was there damage during excavation? Yes ☐ No ☒

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

CORRECTIVE ACTIONS

#1 Supplemental Report Date: 05/21/2020

Root Cause of Spill/Release Equipment Failure

Other (specify) _____

Type of Equipment at Point of Spill/Release: Vertical Heater Treater

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

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

The heater treater for the Ptasnik 1-30-9-59 well on the Shull 25 pad had a gasket fail. The well was shut in and the vessel isolated to stop the leak. Oil and water were recovered from containment and pad surface using a vacuum truck. The impacted pad surface roadbase was dug up and properly disposed of. Clean up documentation is included included and attached on this Supplemental report. The soil cleanup confirmation analysis and the disposal manifests are attached. Root cause is gasket material failure.

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

All similar gaskets on our locations will be inspected for issues. Any gaskets found to have gasket problems will be replaced.

Volume of Soil Excavated (cubic yards): 72

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:

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: 05/27/2020 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. In addition, the surface area disturbed by the remediation activity shall be reclaimed in accordance with the 1000 Series Reclamation Rules. |
|--|---|

Attachment Check List

Att Doc Num

Name

| | |
|-----------|--------------------|
| 402403974 | FORM 19 SUBMITTED |
| 402404011 | DISPOSAL MANIFEST |
| 402404025 | SITE MAP |
| 402404026 | AERIAL PHOTOGRAPH |
| 402406902 | ANALYTICAL RESULTS |

Total Attach: 5 Files

General Comments

User Group

Comment

Comment Date

| | | |
|---------------|---|------------|
| Environmental | Pushed back to DRAFT so operator can attach laboratory analytical data. | 05/22/2020 |
|---------------|---|------------|

Total: 1 comment(s)