

State of Colorado Oil and Gas Conservation Commission

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Report taken by:

Jason Kosola

Site Investigation and Remediation Workplan (Supplemental Form)

This form shall be submitted to the Director for approval prior to the initiation of site investigation and remediation activities. However, this shall not preclude the Operator from taking immediate action to protect public health or safety, the environment, wildlife, or livestock.

This Form 27 describes site conditions as currently understood by the Operator; approval of this Form 27 by COGCC is based on the site conditions accurately described herein; any changes in site conditions identified during or subsequent to the performance of the approved workplan may necessitate additional investigation or remediation which shall be described on a supplemental Form 27. This Form 27 is intended to provide basic information regarding the proposed site investigation and remediation actions, but the workplan may be more fully described in attached documentation.

Closure request is not available for an Initial Site Investigation and Remediation Workplan.

OPERATOR INFORMATION

Name of Operator: <u>CHOLLA PETROLEUM INC</u>	Operator No: <u>10227</u>	Phone Numbers
Address: <u>PO BOX 12208</u>		Phone: <u>(214) 455-4614</u>
City: <u>DALLAS</u>	State: <u>TX</u>	Zip: <u>75225</u>
Contact Person: <u>Tom Obenchain</u>	Email: <u>tao@chollapetro.com</u>	Mobile: <u>()</u>

PROJECT, PURPOSE & SITE INFORMATION

PROJECT INFORMATION

Remediation Project #: 26553 Initial Form 27 Document #: 403262957

PURPOSE INFORMATION

- ☐ Rule 913.c.(1): Pit or Cuttings Trench closure.
- ☐ Rule 913.c.(2): Buried or partially buried vessel closure, which will be by removal.
- ☒ Rule 913.c.(3): Remediation of Spill and Releases pursuant to Rule 912.
- ☐ Rule 913.c.(4): Land treatment of Oily Waste pursuant to Rule 905.e.
- ☐ Rule 913.c.(5): Closure of Centralized E&P Waste Management Facilities pursuant to Rule 907.h.
- ☐ Rule 913.c.(6): Remediation of impacted Groundwater pursuant to Rule 915.e.(3).D, and the contaminant concentrations in Table 915-1.
- ☐ Rule 913.c.(7): Investigation and remediation of natural gas in soil or Groundwater.
- ☐ Rule 913.c.(8): When requested by the Director due to any potential risk to soil, Groundwater, or surface water.
- ☒ Rule 913.c.(9): Decommissioning of Oil and Gas Facilities.
- ☐ Rule 913.g: Changes of Operator.
- ☐ Rule 915.b: Request to leave elevated inorganics in situ.
- ☐ Other: _____

SITE INFORMATION

☐ Yes ☐ Multiple Facilities

Facility Type: <u>WELL</u>	Facility ID: _____	API #: <u>099-06889</u>	County Name: <u>PROWERS</u>
Facility Name: <u>LUKIE-DO 2-24</u>	Latitude: <u>38.212100</u>	Longitude: <u>-102.648450</u>	
** correct Lat/Long if needed: Latitude: _____		Longitude: _____	
QtrQtr: <u>SWNW</u>	Sec: <u>24</u>	Twp: <u>21S</u>	Range: <u>47W</u>
Meridian: <u>6</u>	Sensitive Area? <u>Yes</u>		
Facility Type: <u>LOCATION</u>	Facility ID: <u>314219</u>	API #: _____	County Name: <u>PROWERS</u>
Facility Name: <u>LUKIE-DO-621S47W 24SWNW</u>	Latitude: <u>38.212100</u>	Longitude: <u>-102.648450</u>	
** correct Lat/Long if needed: Latitude: _____		Longitude: _____	
QtrQtr: <u>SWNW</u>	Sec: <u>24</u>	Twp: <u>21S</u>	Range: <u>47W</u>
Meridian: <u>6</u>	Sensitive Area? <u>Yes</u>		

Facility Type: <u>SPILL OR RELEASE</u>	Facility ID: <u>483860</u>	API #: _____	County Name: <u>PROWERS</u>
Facility Name: <u>Meter House</u>	Latitude: <u>38.212270</u>	Longitude: <u>-102.648610</u>	
** correct Lat/Long if needed: Latitude: _____ Longitude: _____			
QtrQtr: <u>SWNW</u>	Sec: <u>24</u>	Twtp: <u>21S</u>	Range: <u>47W</u> Meridian: <u>6</u> Sensitive Area? <u>Yes</u>

SITE CONDITIONS

General soil type - USCS Classifications CL Most Sensitive Adjacent Land Use Agriculture

Is domestic water well within 1/4 mile? No Is surface water within 1/4 mile? Yes

Is groundwater less than 20 feet below ground surface? Yes

Other Potential Receptors within 1/4 mile

There is a Wetland (Freshwater Pond) approx 240' North and the Fort Lyon Canal approx 187' to the East. Livestock Well (DWR 1591394- Permit # 24521) 1856ft to the South has a static water level of 20ft. Groundwater less than 20 ft is expected at the disturbance location. The location is within the Mule Deer Severe Winter Range HPH, please see the attached correspondence for the HPH CPW consultation.

SITE INVESTIGATION PLAN

TYPE OF WASTE:

- ☒ E&P Waste ☐ Other E&P Waste ☐ Non-E&P Waste
- ☒ Produced Water ☐ Workover Fluids
- ☒ Oil ☐ Tank Bottoms
- ☒ Condensate ☐ Pigging Waste
- ☐ Drilling Fluids ☐ Rig Wash
- ☐ Drill Cuttings ☐ Spent Filters
- ☐ Pit Bottoms
- ☐ Other (as described by EPA)

DESCRIPTION OF IMPACT

Impacted?	Impacted Media	Extent of Impact	How Determined
Yes	SOILS	17' (E-W) x 8' (N-S) x 4' bgs	Soil Sampling and Laboratory Analysis

INITIAL ACTION SUMMARY

Description of initial action or emergency response measures take to abate, investigate, and/or remediate impacts associated with E&P Waste.

Facility decommissioning activities were completed at the LUKIE-DO-621S47W24SWNW oil and gas location and associated Lukie-Do 2-24 wellhead (Facility ID: 314219) on February 8 and 27, 2023. Following decommissioning activities, 10 soil samples were collected from the former wellhead (WH), separator (SEP), above-ground storage tank (AST), and meter house (MH) locations, at depths ranging from approximately 3 inches to 7 feet below ground surface (bgs). Based on field observations and preliminary analytical results, soil samples MH1-B01@3" and AST1-B03@3" were selected for waste characterization purposes and submitted for laboratory analysis of the full COGCC Table 915-1 analytical suite using standard COGCC-approved methods. Laboratory analytical results indicated that soil impacts were present at the former AST and/or MH locations due to BTEX, TMB, TPH, PAHs, SAR, EC, and boron. As such, a Form 19-Initial/Supplemental Spill/Release Report (COGCC Document No. 403317770) was submitted on February 10, 2023, and the COGCC issued Spill/Release Point ID 483860. The remaining confirmation soil samples were submitted for laboratory analysis of BTEX, TPH, TMB, pH, EC, SAR, and boron. Analytical results indicate that constituent concentrations in the remaining soil samples collected during facility decommissioning activities were in compliance with COGCC Table 915-1 standards and/or within the range of site-specific background levels (x 1.25 for metals) or acceptable soil variability (pH). Groundwater was not encountered during decommissioning or subsequent over-excavation activities. Soil sample location and field screening data are presented in Table 1. The soil sample locations are illustrated on Figures 1 and 2. The laboratory analytical reports are provided as Attachment A. Field Notes and a photographic log are provided as Attachment B.

PROPOSED SAMPLING PLAN

Proposed Soil Sampling

☒ Will soil samples be collected as part of this investigation? (Number, type (grab/composite), analyses, and locations of samples):

On March 23, 2023, excavation activities were conducted to address remaining soil impacts at the former AST and MH locations. Following over-excavation activities, ten (10) confirmation soil samples were collected from bases and sidewalls of the final excavation extents, at depths ranging from approximately 1 to 4 feet bgs. Based on the analytical results for waste characterization sample SEP1-B01@3", based on the waste characterization results, the confirmation soil samples were submitted for laboratory analysis of BTEX, TMB, TPH, PAHs, pH, SAR, EC and boron. Analytical results indicate that constituent concentrations in the confirmation soil samples collected from the final AST and MH excavation extents were in compliance with COGCC Table 915-1 standards. Soil analytical results are summarized in Tables 2 through 5.

Proposed Groundwater Sampling

☐ Will groundwater samples be collected as part of this investigation? (Number, analyses, and locations of samples):

Groundwater was not encountered during facility decommissioning or subsequent over-excavation activities.

Proposed Surface Water Sampling

☐ Will surface water samples be collected as part of this investigation? (Number, analyses, and locations of samples):

Additional Investigative Actions

☐ Additional alternative investigative actions described in attached Site Investigation Plan (summary):

SITE INVESTIGATION REPORT

SAMPLE SUMMARY

Soil

Number of soil samples collected 20

Number of soil samples exceeding 915-1 3

Was the areal and vertical extent of soil contamination delineated? Yes

Approximate areal extent (square feet) 130

Groundwater

Number of groundwater samples collected 0

Was extent of groundwater contaminated delineated? Yes

Depth to groundwater (below ground surface, in feet)

Number of groundwater monitoring wells installed

Number of groundwater samples exceeding 915-1

Surface Water

0 Number of surface water samples collected

Number of surface water samples exceeding 915-1

If surface water is impacted, other agency notification may be required.

NA / ND

-- Highest concentration of TPH (mg/kg) 5390

-- Highest concentration of SAR 90.3

BTEX > 915-1 Yes

Vertical Extent > 915-1 (in feet) 4

Highest concentration of Benzene (µg/l)

Highest concentration of Toluene (µg/l)

Highest concentration of Ethylbenzene (µg/l)

Highest concentration of Xylene (µg/l)

Highest concentration of Methane (mg/l)

OTHER INVESTIGATION INFORMATION

☐ Were impacts to adjacent property or offsite impacts identified?

☒ Were background samples collected as part of this site investigation?

Background soil samples BG-01@3", BG-02@3', and BG-03@6' were collected from native material adjacent to the former facility. The background soil samples were submitted for laboratory analysis of the Soil Suitability for Reclamation Parameters and total metals using standard COGCC-approved methods appropriate for detecting the target analytes in Table 915-1. Analytical results for the background soil samples are presented in Tables 4 and 5.

☐ Was investigation derived waste (IDW) generated as part of this investigation?

Volume of solid waste (cubic yards)

Volume of liquid waste (barrels)

☐ Is further site investigation required?

REMEDIAL ACTION PLAN

Does this Supplemental Form 27A include changes to a previously approved Remedial Action Plan? No

SOURCE REMOVAL SUMMARY

Describe how source is to be removed.

On March 23, 2023, approximately 8 cubic yards of impacted material were removed from the AST and MH excavation areas and transported to the Midway Landfill in Pueblo, Colorado for disposal. The excavation areas will be backfilled and contoured to match preexisting site conditions.

REMEDIATION SUMMARY

Describe how remediation of existing impacts to soil and groundwater is to be accomplished (i.e. summarize remedial action plan). Provide a brief narrative description including: technical justification, schedule for implementation, estimated time to attain NFA status, plus plans and specifications for the selected remedial action technology.

Laboratory data indicate that impacted soils in the AST and MH excavation areas have been remediated to be in compliance with the COGCC Table 915-1 standards. Laboratory analytical results indicate that constituent concentrations in the remaining confirmation soil samples collected from the former facility infrastructure locations were in compliance with COGCC Table 915-1 standards and/or within the range of site-specific background levels (x 1.25 for metals) or acceptable soil variability (pH). Groundwater was not encountered during facility decommissioning or subsequent over-excavation activities. Based on the analytical data presented herein, assessment is complete at this site and no further activities are required. As such, Cholla Petroleum, Inc. (Cholla) is requesting a No Further Action (NFA) determination for this location.

Soil Remediation Summary

☐ In Situ

_____ Bioremediation (or enhanced bioremediation)
_____ Chemical oxidation
_____ Air sparge / Soil vapor extraction
_____ Natural Attenuation
_____ Other _____

☒ Ex Situ

Yes _____ Excavate and offsite disposal
_____ If Yes: Estimated Volume (Cubic Yards) _____ 8
_____ Name of Licensed Disposal Facility or COGCC Facility ID # _____
No _____ Excavate and onsite remediation
_____ Land Treatment
_____ Bioremediation (or enhanced bioremediation)
_____ Chemical oxidation
_____ Other _____

Groundwater Remediation Summary

_____ Bioremediation (or enhanced bioremediation)
_____ Chemical oxidation
_____ Air sparge / Soil vapor extraction
_____ Natural Attenuation
_____ Other _____

GROUNDWATER MONITORING

If groundwater has been impacted, describe proposed monitoring plan, including # of wells or sample points, monitoring schedule, analytical methods, points of compliance. Attach a groundwater monitoring location diagram.

REMEDIATION PROGRESS UPDATE

PERIODIC REPORTING

Approved Reporting Schedule:

☐ Quarterly☐ Semi-Annually☐ Annually☒ Other

☐ Request Alternative Reporting Schedule:

☐ Semi-Annually☐ Annually☐ Other

Rule 913.e:

After initial approval of a Form 27, the Operator will provide quarterly update reports in a Supplemental Form 27 to document progress of site investigation and remediation, unless an alternative reporting schedule has been requested by the Operator and approved by the Director. The Director may request a more frequent reporting schedule based on site-specific conditions.

Report Type:

☐ Groundwater Monitoring☐ Land Treatment Progress Report☐ O&M Report☒ Other NFA Request

Adequacy of Operator's General Liability Insurance and Financial Assurance

Describe the adequacy of the Operator's general liability insurance and Financial Assurance to fully address the anticipated costs of Remediation, including the estimated remaining cost for this project (below).

If this information has been provided on a Form 27 within the last 12 months, provide the Document Number of that form.

The General Liability coverage with Cholla Petroleum insurance program includes coverage for bodily injury, property damage, and pollution clean-up costs arising from qualifying pollution events of a sudden and accidental nature subject to a \$1MM per occurrence limit and \$2MM aggregate limit. The Operator insurance program includes Excess Liability coverage of \$10MM per occurrence and in the aggregate which sits over the sudden and accidental pollution within the General Liability coverage.

Operator anticipates the remaining cost for this project to be: \$ 15000

WASTE DISPOSAL INFORMATION

Was E&P waste generated as part of this remediation? Yes

Describe beneficial use, if any, of E&P Waste derived from this remediation project:

NA

Volume of E&P Waste (solid) in cubic yards 8

E&P waste (solid) description Impacted soil

COGCC Disposal Facility ID #, if applicable:

Non-COGCC Disposal Facility: Midway Landfill - Pueblo, Colorado

Volume of E&P Waste (liquid) in barrels 0

E&P waste (liquid) description

COGCC Disposal Facility ID #, if applicable:

Non-COGCC Disposal Facility:

REMEDIATION COMPLETION REPORT

REMEDIATION COMPLETION SUMMARY

Is this a Final Closure Request for this Remediation Project? Yes

If YES:

☒ Compliant with Rule 913.h.(1).

☐ Compliant with Rule 913.h.(2).

☐ Compliant with Rule 913.h.(3).

Do all soils meet Table 915-1 standards? Yes

Does the previous reply indicate consideration of background concentrations? Yes

Does Groundwater meet Table 915-1 standards? Yes

Is additional groundwater monitoring to be conducted? _____

Operator shall comply with the COGCC 1000-Series Reclamation Requirements for all impacted and disturbed areas.

RECLAMATION PLAN

RECLAMATION PLANNING

Describe reclamation plan. Discuss existing and new grade recontouring; method and testing of compaction alleviation; and reseeding program, including location of new seed, seed mix and noxious weed prevention. Attach diagram or drawing.

Reclamation will be in accordance with COGCC 1000 Series Rules.

Is the described reclamation complete? No

Does the reclamation described herein constitute interim or final reclamation of the Oil and Gas Location?

☐ Interim

☐ Final

Did the Surface Owner provide the seed mix? _____

If YES, does the seed mix comply with local soil conservation district recommendations? _____

Did the local soil conservation district provide the seed mix? _____

SITE RECLAMATION DATES

Proposed date of commencement of Reclamation. _____

Proposed date of completion of Reclamation. _____

IMPLEMENTATION SCHEDULE

Per Rule 913.d.(2): Any change from the approved implementation schedule will be requested at least 14 days in advance, and the Operator may not make the change without the Director's approval.

PRIOR DATES

Date of Surface Owner notification/consultation, if required. 12/20/2022

Actual Spill or Release date, or date of discovery. 02/10/2023

SITE INVESTIGATION DATES

Date of Initial Actions described in Site Investigation Plan (start date). 01/02/2023

Proposed site investigation commencement. 02/08/2023

Proposed completion of site investigation. 03/23/2023

REMEDIAL ACTION DATES

Proposed start date of Remediation. 03/23/2023

Proposed date of completion of Remediation. 03/23/2023

Per Rule 913.d.(2): Any change from the approved implementation schedule will be requested at least 14 days in advance, and the Operator may not make the change without the Director's approval.

☐ Change from approved implementation schedule per Rule 913.d.(2).

Basis for change in implementation schedule:

OPERATOR COMMENT

Cholla respectfully requests the Director's approval of a modified list of contaminants of concern for this location. Based on the waste characterization analytical results for soil samples MH1-B01 @3" and AST1-B03 @3", subsequent confirmation soil samples were submitted for laboratory analysis of BTEX, TMB, TPH, PAHs, pH, SAR, EC and boron using standard methods appropriate for detecting the target analytes.

Laboratory analytical results indicate that constituent concentrations in the soil samples collected from the final excavation extents were in compliance with COGCC Table 915-1 standards. Based on the analytical data provided herein, assessment is complete and Cholla is requesting an NFA determination for this location.

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

Signed: Tom Obenchain

Title: Sr. Regulatory Analyst

Submit Date: 04/17/2023

Email: tao@chollapetro.com

Based on the information provided herein, this Application for Site Investigation and Remediation Workplan complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: Jason Kosola

Date: 04/19/2023

Remediation Project Number: 26553

COA Type**Description**

	<p>NO FURTHER ACTION</p> <p>Based on the information presented and reduced analytes, it appears that no further remedial 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 groundwater is found to be impacted, then further investigation and/or remediation activities may be required.</p> <p>The surface area disturbed by the remediation activity shall be reclaimed in accordance with the 1000 Series Reclamation Rules. For locations with active ongoing oil and gas operations, comply with Rule 1003 interim reclamation requirements and for locations that will no longer have active oil and gas operations, comply with Rule 1004 Final Reclamation requirements.</p>
	COGCC approves Operator's request for reduced analytes.
2 COAs	

Attachment Check List

Upon approval, the approved Form 27 and all listed attachments will be indexed to the Remediation Project file. Only the approved Form 27 will also be indexed to the related Facilities.

Att Doc Num**Name**

403360833	FORM 27-SUPPLEMENTAL-SUBMITTED
403371645	PHOTO DOCUMENTATION
403371648	ANALYTICAL RESULTS
403371651	ANALYTICAL RESULTS
403372852	SOIL SAMPLE LOCATION MAP
403372853	SOIL SAMPLE LOCATION MAP

Total Attach: 6 Files

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

Environmental	No analytical summary table is attached. Returned to DRAFT for operator to attach table.	04/06/2023
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Total: 1 comment(s)