

State of Colorado
Energy & Carbon Management Commission



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Document Number:

404090603

Date Received:

02/12/2025

SPILL/RELEASE REPORT (SUPPLEMENTAL)

This form is to be submitted by the party responsible for the oil and gas spill or release. Refer to ECMC Rule 912.b. for reporting requirements of spills or releases of E&P Waste, produced Fluids, or unauthorized Releases of natural gas. Submit a Site Investigation and Remediation Workplan (Form 27) if Rule 913.c. applies.

Spill report taken by:

Ahmadian, Alexander

Spill/Release Point ID:

488972

OPERATOR INFORMATION

Name of Operator: <u>VERDAD RESOURCES LLC</u>	Operator No: <u>10651</u>	Phone Numbers
Address: <u>1125 17TH STREET SUITE 600</u>		Phone: <u>(720) 647-6852</u>
City: <u>DENVER</u> State: <u>CO</u> Zip: <u>80202</u>		Mobile: <u>()</u>
Contact Person: <u>Dean Wagoner</u>		Email: <u>dwagoner@verdadresources.com</u>

Transfer of Operatorship: Pursuant to Rule 912.f, this Supplemental Form 19 is being submitted to designate the Buying Operator as the responsible Operator for this Spill and Release.

INITIAL SPILL/RELEASE REPORT

Initial Spill/Release Report Doc# 404047859

Initial Report Date: 01/04/2025 Date of Discovery: 01/04/2025 Spill Type: Recent Spill

Spill/Release Point Location:

QTRQTR SWSE SEC 31 TWP 1N RNG 65W MERIDIAN 6

Latitude: 40.001755 Longitude: -104.703514

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

Enter Lat./long measurement of the actual Spill/Release Point. Lat./Long. Data shall meet standards of Rule 216.

Check this box if this spill/release is related to a loss of integrity of a flowline, pipeline, crude oil transfer line, or produced water transfer line.

Reference Location:

Facility Type: OIL AND GAS LOCATION Facility/Location ID No 477677

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

No Existing Facility or Location ID No.

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

Estimated Oil Spill Volume(bbl): Unknown

Estimated Condensate Spill Volume(bbl): 0

Estimated Flow Back Fluid Spill Volume(bbl): 0

Estimated Produced Water Spill Volume(bbl): Unknown

Estimated Other E&P Waste Spill Volume(bbl): 0

Estimated Drilling Fluid Spill Volume(bbl): 0

Specify: _____

Has the subject Spill/Release been controlled at the time of reporting? Yes

Land Use:

Current Land Use: CROP LAND _____

Other(Specify): _____

Weather Condition: Overcast, cool _____

Surface Owner: FEE _____

Other(Specify): _____

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

flowline between east well header rack and bulk separator leaking under surface. 24 hour pad supervision shut in corresponding wells and isolated the correct flow line. The active leak immediately stopped. Hydrovac was dispatched all free liquids were recovered and some contaminated soil. Investigation and cleanup under way.

List of Agencies and Other Parties Notified Pursuant to Rule 912.b.(7)-(11):

OTHER NOTIFICATIONS

<u>Date</u>	<u>Agency/Party</u>	<u>Contact</u>	<u>Phone</u>	<u>Response</u>
1/4/2025	Surface Owner	Monte Peak	-	acknowledged spill
1/4/2025	Weld County OEM	Web Form	-	acknowledged spill report received

REPORT CRITERIA

Rule 912.b.(1) Report to the Director (select all criteria that apply):

No Rule 912.b.(1).A: A Spill or Release of any size that impacts or threatens to impact any Waters of the State, Public Water System, residence or occupied structure, livestock, wildlife, or publicly-maintained road.

Waters of the State: _____ Public Water System: _____
 Residence or Occupied Structure: _____ Livestock: _____
 Wildlife: _____ Publicly-Maintained Road: _____

No Rule 912.b.(1).B: A Spill or Release in which 1 barrel or more of E&P Waste or produced fluids is spilled or released outside of berms or other secondary containment.

No Rule 912.b.(1).C: A Spill or Release of 5 barrels or more of E&P Waste or produced Fluids regardless of whether the Spill or Release is completely contained within berms or other secondary containment.

No Rule 912.b.(1).D: Within 6 hours of discovery, a Grade 1 Gas Leak. For a Grade 1 Gas Leak from a Flowline, the Operator also must submit the Form 19 – Initial, document number on a Form 44, Flowline Report, for the Grade 1 Gas Leak

Enter the approximate time of discovery _____ (HH:MM)
 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? _____
 Enter the Document Number of the Initial Accident Report, Form 22 _____
 Was there damage during excavation? _____
 Was CO 811 notified prior to excavation? _____

No Rule 912.b.(1).E: The discovery of 10 cubic yards or more of impacted material resulting from a current or historic Spill or Release. Discovery and reporting will not be contingent upon confirmation samples demonstrating exceedance of Table 915-1 standards.

Estimated Volume of Impacted Solids (cu. yd.): _____

No Rule 912.b.(1).F: The discovery of impacted Waters of the State, including Groundwater. Discovery and reporting will not be contingent upon confirmation samples demonstrating exceedance of Table 915-1 standards. The presence of free product or hydrocarbon sheen on Groundwater or surface water is reportable. The presence of contaminated soil in contact with Groundwater or surface water is reportable. Check all that apply:

- The presence of free product or hydrocarbon sheen Surface Water
- The presence of free product or hydrocarbon sheen on Groundwater
- The presence of contaminated soil in contact with Groundwater
- The presence of contaminated soil in contact with Surface water

Yes	Rule 912.b.(1).G: A suspected or actual Spill or Release of any volume where the volume cannot be immediately determined, including a spill or release of any volume that daylight from the subsurface.
No	Rule 912.b.(1).H: Spill or Release resulting in vaporized hydrocarbon mists that leave the Oil and Gas Location or Off-Location Flowline right of way from an Oil and Gas Location and impacts or threatens to impact off-location property. <input type="checkbox"/> Areas offsite of Oil & Gas Location <input type="checkbox"/> Off-Location Flowline right of way
No	Rule 912.b.(1).I: A Release of natural gas that results in an accumulation of soil gas or gas seeps.
No	Rule 912.b.(1).J: A Release that results in natural gas in Groundwater.

CORRECTIVE ACTIONS

#1	Supplemental Report Date: <u>02/12/2025</u>
Root Cause of Spill/Release <u>Corrosion</u>	
Other (specify) _____	
Type of Equipment at Point of Spill/Release: <u>Wellhead Line</u>	
If "Other" selected above, specify or describe here: <div style="border: 1px solid black; height: 30px; width: 100%;"></div>	
Describe Incident & Root Cause (include specific equipment and point of failure)	
<div style="border: 1px solid black; padding: 5px;">An underground wellhead flowline failed from a pinhole leak that caused the release of fluid. The flowline failure occurred on the outside radius of the elbow at the 3 o'clock position on the pipe. The pin hole was caused by internal CO2 corrosion.</div>	
Describe measures taken to prevent the problem(s) from reoccurring:	
<div style="border: 1px solid black; padding: 5px;">The elbow that was affected by the CO2 corrosion was removed and a new elbow was welded in place. The wells utilizing this flowline and the other wells on this pad have since added continuous treatment with corrosion inhibitor to minimize CO2 corrosion to the wells, downstream flowlines and equipment servicing all wells. The entire flowline was pressure tested and passed prior to being returned to service. Pressure test results are attached. <input type="checkbox"/></div>	
Volume of Soil Excavated (cubic yards):	<u>80</u>
Disposition of Excavated Soil (attach documentation)	<input checked="" type="checkbox"/> Offsite Disposal Onsite Treatment <input type="checkbox"/> Other (specify) _____
Volume of Impacted Ground Water Removed (bbls):	<u>0</u>
Volume of Impacted Surface Water Removed (bbls):	<u>0</u>

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, check all that apply)
 - Horizontal and Vertical extents of impacts have been delineated.
 - Documentation of compliance with Table 915-1 is attached.
 - All E&P Waste has been properly treated or disposed.
 - Work proceeding under an approved Form 27 (Rule 912.c).
Form 27 Remediation Project No: _____
 - SUSPECTED Spill/Release did not occur or was below Rule 912.a.(5) reporting thresholds.

OPERATOR COMMENTS:

All Samples confirm spill cleanup. There is no evidence of impacted soils from oil and gas operations yet Barium in 1 sample is just over the Protection of Groundwater Screening Level by Level by 1.77 mg/kg (considering background levels) and under the Residential SSL by 14,910 mg/kg. Further discussion on reasoning for using residential SSL is attached. Requesting Barium RSSL for 1 sample.

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

Signed: _____ Print Name: Dean Wagoner

Title: EHS&R Field Manager Date: 02/12/2025 Email: dwagoner@verdadresources.com

<u>COA Type</u>	<u>Description</u>
0 COA	

ATTACHMENT LIST

<u>Att Doc Num</u>	<u>Name</u>
404090726	ANALYTICAL RESULTS
404090757	SOIL SAMPLE LOCATION MAP
404090761	SOIL SAMPLE LOCATION MAP
404090779	DISPOSAL MANIFEST
404090787	OTHER
404090791	OTHER
404090814	PHOTO DOCUMENTATION
404090829	PHOTO DOCUMENTATION
404090835	OTHER
404090840	OTHER
404091321	ANALYTICAL RESULTS
404091340	ANALYTICAL RESULTS

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
		Stamp Upon Approval

Total: 0 comment(s)