



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
TRES RIOS FIELD OFFICE  
Lands and Minerals  
15 Burnett Court  
Durango, CO 81301



In Reply Refer To:  
3160 (CO-LLCOS01000)  
COC 047609B

**Certified Mail - 7011 2970 0002 6010 4820**

QEP Energy Company  
1050 17th Street, Suite 500  
Denver, CO 80265

MAY 29 2015

**Re: Order of the Authorized Officer for Reporting and Corrective Actions: Cutthroat "B" Facility (COC 047609B)**

On May 6, 2015, Pamela Leschak, BLM Fluids Geologist was notified by QEP of a small, buried NGL flowline leak at the Cutthroat "B" Facility in Montezuma County, Colorado. The flowline was immediately shut-in and excavation work was initiated the following day in order to repair the line and collect samples for laboratory analysis. Follow-up sampling was conducted almost two weeks later on May 19, 2015. Laboratory analyses of eight soil/subsoil samples taken from the trenched flowline area on May 7 and May 19, 2015, revealed elevated levels of Total Petroleum Hydrocarbons, Benzene, and Toluene contaminants.

BLM inspection of the excavation and sampling work on May 7, 2015, indicated that the cause of the leak was from a previously repaired portion of the NGL flowline. No reliable information on the date of that initial repair, the duration of the leak, or the cumulative discharge volume has been provided by the operator. As such, the BLM considers this spill to be a slow, low volume but possible long-term, continuous leak that has potentially resulted in the discharge of at least 10 but less than 100 barrels of liquid in this non-sensitive area. It is thereby classified as an "Other-Than-Major-Undesirable-Event" as per BLM Notice to Lessees and Operators of Onshore Federal and Indian Oil and Gas Leases (NTL-3A).

The BLM infers that the current extent of soil contamination has largely been limited to the area in close proximity to the flowline leak with little or no significant negative impacts to natural resources. There are no shallow groundwater aquifers in the area. Effective stormwater measures are in place and precipitation that falls on the location is largely contained within the facility boundaries, mitigating such potential impacts on surface water quality. Processed NGL's in the flowline are extremely cold, compressed fluids (<30 degrees F) which immediately freeze and then rapidly volatilize when exposed to atmospheric temperatures and pressures. Significant impacts to surrounding soil resources are therefore not expected.

As such, the BLM will not require immediate delineation and remediation of the hydrocarbon contaminated soils associated with the NGL flowline spill. This is an active processing facility with a variety of building structures, surface equipment, and buried flowlines that would make it difficult to accurately assess the extent of contamination associated with the NGL spill. Such activities may instead be deferred to a future date when either: (a) negative impacts associated with potential hydrocarbon contamination are observed proximal to the location (such as degraded surface water quality, stressed vegetation, etc.); or (b) the facility is planned to be decommissioned and final reclamation activities are planned.

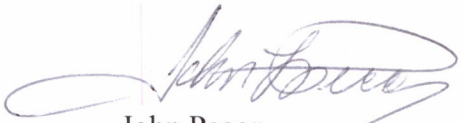
By Order of the Authorized Officer, the BLM requires QEP Energy Company, as the operator of the site, to submit a written undesirable event report for the NGL spill to Pamela Leschak at the BLM Tres Rios Field Office, 15 Burnett Court, Durango, Colorado as per Section II of NTL-3A within 15 days of receipt of this letter. In addition, QEP Energy Company (or the designated operator at that time) is required to conduct a future site characterization survey on the location to determine the vertical and lateral extent of the contamination, either when any potentially significant negative impacts associated with hydrocarbon contamination are observed proximal to the location or once the facility has been decommissioned and final reclamation plans are in place – whichever occurs first. Any contamination identified during that future site assessment study shall be fully remediated at that time.

Feel free to contact Pamela Leschak, the BLM Authorized Officer, for questions regarding this issue. She can be reached at (970) 385-1342 or [pleschak@blm.gov](mailto:pleschak@blm.gov).

Failure to comply within the specified time frames could result in the initiation of additional enforcement actions, including assessments and attachment of lease bonds.

If you wish to contest this decision, you have the right to a State Director Review. This request must be filed, in writing, within 20 business days of receipt of this decision, with the Deputy State Director, Resource Services, Colorado State Office, 2850 Youngfield Street, Lakewood, Colorado, 80215 (See 43 CFR 3165.3). An appeal of the State Director Review may be taken with the Interior Board of Land Appeals (see 43 CFR 3165.4 and 43 CRF, part 4)

Sincerely,



John Pecor  
BLM Minerals Staff Chief  
Tres Rios Field Office