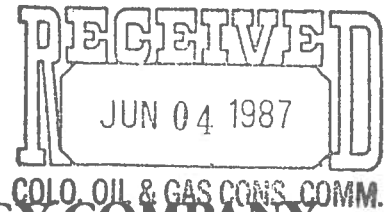




00-00-06047
Location # 381595



CELSIUS ENERGY COMPANY

79 SOUTH STATE STREET • P. O. BOX 11070 • SALT LAKE CITY, UTAH 84147 • PHONE (801) 530-2600

*WRS not
return to me*

June 1, 1987

Colorado Oil and Gas Conservation Commission
1580 Logan Street
Suite 380
Denver, Colorado 80203

DB Attention: Dennis Bicknell

Re: NRC Report 6329
Sec. 1, T38N, R20W
Dolores County, Colorado

Dear Mr. Bicknell:

This letter confirms my verbal report to you on May 29, 1987 concerning the discovery of an oil sheen of unknown origin on a livestock watering pond at the above referenced location.

Information reported to you included the following:

- ** On May 29, 1987 the owner of a livestock watering pond reported to Celsius operating personnel the discovery of an oil sheen on the pond. The watering pond is located in Section 1, Township 38 North, Range 20 West, Dolores County, Colorado.
- ** Celsius operating personnel confirmed an oil sheen and traced the immediate source to an adjacent natural spring.
- ** Celsius Energy Company's nearest facility is an oil well and related production equipment located approximately one-quarter (1/4) to one-half (1/2) miles northwest of the spring and pond.
- ** Celsius Energy has had no indication of any operational problems which may have lead to this situation at this facility. Daily monitoring of wellhead pressures and production tank levels has not shown any unusual fluctuations.

June 1, 1987

- ** Celsius Energy has obtained liquid samples from the pond, spring, and production facility tankage.
- ** Celsius Energy has conducted pressure tests on associated production flow lines to confirm integrity. Results indicate no problems with production piping.
- ** Celsius Energy makes this report only because it has knowledge of the situation.
- ** The above information was also reported to the National Response Center and the Colorado Department of Health - Water Quality Division.

This letter also confirms your assessment of the situation as not being classified as a spill or discharge.

Our investigation to date indicates Celsius Energy is not responsible for the situation at the pond/spring; and we view the incident as closed. However, we will continue to monitor the situation and will inform your department should any significant changes occur.

Sincerely,



Jeffrey L. Ingerson
Senior Petroleum Engineer
Coordinator - Environmental Affairs

JLI:1h1