

From: Spry ORourke, Linda
To: [Baldwin, Debbie](#); [Fischer, Alex](#); [Canfield, Chris](#)
Cc: [Milne, James](#); [Chesson, Robert](#)
Subject: RE: Black Hills 35-2 compliance questions for you
Date: Thursday, June 30, 2011 4:12:00 PM

Debbie,

I just got off the phone with Julia Christiansen regarding this.

1. Bill Schearer (sp?) has not been with Black Hills for the last couple years. Not sure where he went.

2. Black Hills Exploration and Production is now Black Hills Plateau Production; same company per Julie.

3. Julie clarified that the waste is definitely Black Hill's waste; **not historical** as I had understood previously. Pit history as I understand it my conversation with Julie today:

1. Black Hills had a pit; vocal landowner wanted it closed.

2. Landowner dug a hole, moved stuff from pit to hole, closed pit (this doesn't make sense to me).

3. Landowner may have been contracted to Black Hills to close pit.

4. Landowner is now dead.

5. Pit was closed after our rules went into effect and was last pit closed before BLM agreed that liners should be removed. BLM not concerned that liner is buried, since that part was in compliance with them at the time it was done.

6. Julie reports this was the only pit onsite, so contained flowback fluids as well as drill cuttings.

7. Julie required Black Hills to sample; she thinks they had HRL collect samples.

8. Julie ordered them to quit mixing the soil, segregate the remaining black stuff.

I made arrangements to meet Julie out there next Tuesday morning to see the site. I will probably sample, given the information that it wasn't just drilling pit.

I also called Alan Vrooman and left him a voice mail:

1. I'd been in contact with Julia at BLM

2. COGCC rules do apply on Federal land (Rule 201.a)

3. Our position is that Rule 906.b.1 applies since they've discovered E&P waste

4. I wondered if they were willing to work with us to get the pit into compliance and

5. I am interested in the results from the samples they collected.

I let him know I'd be out Friday and back on Tuesday and I hoped to speak with him.

We'll see how that turns out.

Thanks for your help!

Linda Spry O'Rourke

Environmental Protection Specialist, Northwest Region

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-----Original Message-----

From: Baldwin, Debbie

Sent: Thursday, June 30, 2011 3:48 PM

To: Spry ORourke, Linda; Fischer, Alex; Canfield, Chris

Cc: Milne, James; Chesson, Robert

Subject: RE: Black Hills 35-2 compliance questions for you

Linda: as a follow on to our phone conversation, I checked the gis and there is an historic well located in the ssw of the section = that would only be an approximate location, so maybe it really was located at the site in question. Jim M may have more info about the well and/or

Bob C has sometimes tracked down information about old wells not in our system

-----Original Message-----

From: Spry ORourke, Linda

Sent: Thursday, June 30, 2011 8:05 AM

To: Fischer, Alex; Baldwin, Debbie; Canfield, Chris

Subject: FW: Black Hills 35-2 compliance questions for you

Alex, Chris, Debbie,

I have some questions regarding enforcement of policies; I'm guessing we can't write NOAVs relative to policies, since they are not rules.

If that's correct, and Black Hills does not voluntarily report their discovery of a hydrocarbon/stinky pit during surface activities creating a new pit (described in email string below), how do I proceed?

Thanks for the guidance.

Linda Spry O'Rourke

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-----Original Message-----

From: jchristi@blm.gov [<mailto:jchristi@blm.gov>]

Sent: Wednesday, June 29, 2011 6:00 PM

To: Spry ORourke, Linda

Subject: RE: Black Hills 35-2 compliance questions for you

Linda, thank you so much for your attention and assistance.

I believe it is BH's position is that the discovery consists solely of cuttings, in other words, bentonite and drilling fluids, per the regs. The

soil I got into had pit liner bits and strong stinky hydrocarbon smells, so

I'm not going with Black Hills' casual "just cuttings" verbal report, especially since they didn't inform BLM or COGCC when they got into it. I

found it on the 21st, they probably found it the week before, but I don't

know how one would document that. The bulldozer operator told me he'd just

been scraping it up and including it in the soil storage piles.

Alan Vrooman stopped by here yesterday to visit and told me that BH wasn't

going to report to COGCC, although BLM ordered them to do so as part of bringing the site into compliance with all appropriate permits, one of our

standard Conditions of Approval. I informed BH by email yesterday that I was bringing COGCC into the loop, so unless they jumped to self-report today, it is my reasoned conclusion that they have no intention of doing so. I find it appropriate for you to contact them directly now. I think BLM's next step is to go from issuing an Order to issuing an Incident of Non-Compliance (INC). I will get that going tomorrow.

Here is the contact info for Black Hills.

Black Hills Plateau Production, LLC

1515 Wynkoop St, Ste 500, Denver 80202-1730

Corporate, Regulatory: Alan Vrooman, alan.vrooman@blackhillscorp.com,
303-903-7520

Local Operations Lead:

Stan Lindholm, stan.lindholm@blackhillscorp.com, 970-640-0494

Julia Christiansen | Natural Resource Specialist

BLM, Grand Junction Field Office

2815 H Road, Grand Junction, CO 81506

Desk: 970-244-3093 Fax: 970-244-3083

jchristi@blm.gov <-- Please note new address!

"May your trails be crooked, winding, lonesome, dangerous... leading to
the most amazing views."

"Spry
ORourke,

Linda"

<Linda.SpryORourke
To

@state.co.us>
<jchristi@blm.gov>

cc

06/29/2011 09:30 "Fischer,
Alex"

AM
<Alex.Fischer@state.co.us>,

"Canfield,
Chris"

<Chris.Canfield@state.co.us>

Subject

RE: Black Hills 35-2

compliance

questions for

you

Julia,

The operator is required to report the discovery of that old pit to the COGCC. I've enclosed the link to your policy and an excerpt from the policy. It is not a new policy. I would guess that the operator is already out of compliance with this policy, because if they have lab data

back, it has probably been more than 10 days since they discovered the waste.

Please provide your contact information, because I'll need to contact them

if they are not willing to voluntarily report their discovery.

Thanks for letting me know about this; I'm guessing we'll be discussing it

further.

Linda

REQUIREMENTS FOR E&P WASTE DISCOVERED DURING SURFACE DEVELOPMENT

EXCAVATION:

If E&P waste is discovered, with the exception of water based bentonitic drilling fluid, during a Phase I or Phase II analysis or soil investigation

or during excavation operations related to surface development, such discovery shall be reported to the Director by the surface developer or

its

designee on a COGCC Spill/Release Report, Form 19 within ten (10) days.
Any

new spills that occur as a result of a surface developer's activities
must

be reported in accordance with Rule 906. If de minimis amounts of E&P
waste

are encountered during excavation operations, a surface developer or its
designee may excavate and properly dispose of the waste and no reporting
shall be required.

The surface developer or its designee may, at its discretion, collect
samples for chemical analysis to determine if the allowable
concentrations

listed in Table 910-1 in the 900 Series Rules have been exceeded. The
analytical results from the initial samples shall be reported on a COGCC
Soil Analysis Report, Form 24 and Water Analysis Report, Form 25,
whichever

is applicable, which shall be submitted along with a Spill/Release
Report,

Form 19. The Director may conduct sampling and analysis if the surface
developer or its designee does not.

If the analytical results indicate that soil or ground water has been
impacted by E&P waste in concentrations that exceed those listed in Table
910-1 in the 900 Series Rules, and the surface developer or its designee
intends to initiate voluntary remediation, then the surface developer or
its designee shall submit a Site Investigation and Remediation Workplan,
Form 27 to the Director. Approval of the Remediation Workplan, Form 27
shall be obtained from the Director prior to commencement of remediation
operations. As an alternative to voluntary remediation by the surface

developer or its designee, the Director may identify a responsible party,

if they exist, or expend monies from the Environmental Response Fund to remediate E&P waste. For the purpose of voluntary remediation, the surface

developer or its designee shall not be required to be registered as an operator with the COGCC.

(4) If the analytical results indicate that soil or ground water has not been impacted by E&P waste in concentrations that exceed those listed in Table 910-1 in the 900 Series Rules, then any remediation operations conducted by the surface developer or its designee shall not be subject to

COGCC jurisdiction.

ADOPTED AND EFFECTIVE THIS 3rd DAY OF DECEMBER, 2001.

Linda Spry O'Rourke

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-----Original Message-----

From: jchristi@blm.gov [<mailto:jchristi@blm.gov>]

Sent: Tuesday, June 28, 2011 4:08 PM

To: Spry ORourke, Linda

Subject: Black Hills 35-2 compliance questions for you

Linda, hi. I have a compliance question to discuss with you.

I told Black Hills to contact COGCC regarding some reserve pit contents they turned up while digging a new fluids pit in supposedly virgin ground,

on an existing pad, on private land (split estate). They are preparing to

re-complete a federal well there and need a frac fluids pit.

The stuff they turned up was black and stinky, so I told them to segregate

it on a liner and cover it, then contact you to mitigate it

appropriately, which would include sampling it to your standards. I've told

them twice (which counts as orders from BLM, in the category of Verbal Warning) but now they're telling me they've sampled it to COGCC standards

and concluded on their own that there's no need to contact COGCC. I told them to document all their sampling to me, I thought they probably should

fill out forms with you, etc, etc. Am I right? Is this 'pit closure'?

Something else? They were actually removing soil to build a new pit, but will be putting it back when the pit is closed.

They didn't notify me when they turned up the contaminated soil (which also

contained pieces of old pit liner), although they were aware of it. Until I

discovered it during a construction inspection, they were just burying it

with the rest of the subsoil coming out of the ground.

API is 050770940300S1

T9S R97W, Sec 35, SWSW

Federal well Shire Gulch 35-2, Lease COC 22503

What do you think about how to pursue this? I'll paste in my inspection notes below.

PS - just as a sidenote, the pad expansion was not constructed to BLM or CDPHE standards, and they're under orders to fix that immediately as well.

Fill slopes loose/unstable and steep, insufficient SW BMPs, etc.

Julia Christiansen | Natural Resource Specialist

BLM, Grand Junction Field Office

2815 H Road, Grand Junction, CO 81506

Desk: 970-244-3093 Fax: 970-244-3083

jchristi@blm.gov <-- Please note new address!

"May your trails be crooked, winding, lonesome, dangerous... leading to the most amazing views."

~~~~~ Surface Inspection Notes ~~~~~

Black Hills Shire Gulch 35-2, COC22503, expand existing pad for horizontal

shale recomplete, JESC, 6/21/11

Pad has been expanded and new frac fluids pit constructed. Approved by Sundry.

Steep loose soil piles and fill slopes in places, lacking SW BMPs (notable

at E and NW). Not track walked, seeded or otherwise stabilized.

Large frac water pit under construction. Stained soil and liner pieces (HC

smelly) uncovered during pit construction, tho previous pit not located here. Presumably deposited by previous landowner who closed original reserve pit. Black Hills was notified of contaminated soils by construction

and SW inspector but did not self-report to BLM or COGCC. Much of the bad

soil was removed gradually during construction, mixing with subsoils in soils storage piles.

Julia Verbally Warned that remaining stained soil be removed and segregated. Liner to be installed under and cover installed over, per MB foreman Seely at site. Stan Lindholm of BH was informed at the site and instructed to manage soils as mentioned, also to self-report to COGCC and get into compliance with State regulations.

Stan was also Verbally Warned to get the site into compliance with stormwater regulations. Loose soils need to be stabilized and BMPs installed to prevent sediment from being transported. I asked Stan if he wanted Written Orders, but he wanted a reminder email, so I will record this as Verbal Warning JESC01111 and email to Jessica, Stan and Alan V..