



March 17, 2017

Mr. John Axelson
 East Environmental Supervisor
 Colorado Oil and Gas Conservation Commission
 1120 Lincoln Street, Suite 801
 Denver, CO 80203

**ADMINISTRATIVE ORDER BY CONSENT 1V-435
 RE: COMPLETION OF REQUIRED CORRECTIVE ACTIONS REPORT**

Dear Mr. Axelson,

Tasman Geosciences, Inc. (Tasman), on behalf of Beren Corporation (Beren), is providing this Completion of Required Corrective Actions Report associated with the Administrative Order by Consent (AOC) (Order No. 1V-435) which was approved October 28, 2013.

Introduction

On January 10, 1997, Beren Corporation (“Beren”) became the operator of the Moyer 16-30 Well (API #05-123-05975). On June 11 and 12, 2013, Colorado Oil and Gas Conservation Commission (COGCC) staff conducted two inspections of the Well site (Document Nos. 667500201 and 664001050 respectively). Both inspections reported rule violations. On July 12, 2013 COGCC staff issued Notice of Alleged Violation (“NOAV”) # 200382925 to Beren. The NOAV cited violations of the following COGCC Rules of Practice and Procedure, 2 CCR 404-1 (“Rule” or “Rules”):

- a. Rule 324A (Pollution);*
- b. Rule 901. (E&P Waste Management – Rule 901.f. Sensitive Area Operations);*
- c. Rule 902. (Pits) – General and Special Rules);*
- d. Rule 904. (Pit Lining requirements – Rule 904.a. (4) Skim Pits);*
- e. Rule 906. (Spills and Releases Rule 906.a. General; Rule 906.b. Spill Reporting; Rule 906.c. Surface Owner Notification);*
- f. Rule 907. (E&P Waste Management Rule 907.a (1) General Requirements- Operator Obligations; Rule 907.c. (2) Produced Water Disposal; Rule 907.e. Oily Wastes);*
- g. Rule 909. (Site Investigation, Remediation and Closure);*
- h. Rule 910. (Concentrations and Sampling for Soil & Ground Water -Table 910-1);*
- i. Rule 1002. (Site Preparation and Stabilization); and*
- j. Rule 1003. (Interim Reclamation – Rule 1003f.).*

Corrective Actions

The NOAV required Beren to correct, or abate the alleged rule violations by performing corrective actions which are illustrated by *italicized text below*. As of this date of March 17, 2017 Beren has completed the required corrective actions outlined within AOC 1V-435 (AOC) Agreement. Details for each requirement of the Agreement are summarized below.

1. Beren will be assessed a penalty of \$ 100,000.

6899 Pecos Street, Unit C, Denver, CO 80221



II. Beren will pay \$50,000 within 30 days after this AOC is approved by the Commission. The remaining \$50,000 is suspended pending timely completion of the compliance schedule described below. If Beren fully performs the compliance schedule on time, the suspended portion of the penalty will be vacated by the Director. If Beren fails to fully perform the compliance plan and schedule, the suspended penalty will become due 30 days from written notice from the Director, without further action by the Commission.

III. Beren will conform to the Compliance Plan/Schedule for its Colorado properties as listed below:

1. Moyer Unit 16-30, Weld County.

a. Beren will perform the following actions related to the historic spill at the site:

- Beren will remove all oily waste in the drainage and streambed.*
- Beren will perform sampling and analysis to verify that all oily waste has been removed in accordance with Rules 909 and 910.*

The excavation portion of the project in the drainage and streambed area was completed and documented by June 18, 2013 within COGCC Document #2141433. This document acknowledged that the impacted soils had been removed in compliance with Remediation Project #7985 and soil samples in compliance with COGCC Table 910-1 had been collected. Impacted soils were stockpiled onsite for future land treatment options.

- Beren will comply with the Form 27 submitted September 18, 2013 and approved on September 19, 2013.*

As per the Form 27 (Document #2146132, Remediation Project #7985) soils exhibiting concentrations above COGCC Table 910-1 standards were removed from the spill area and stockpiled for future land treatment. During excavation activities Beren also closed the produced water pit and oil skim pit in accordance with Rule 905.

b. Beren will perform the following actions related to the Tank Battery and Pit Complex:

- Beren will cleanup all oily waste at tank battery, skim pit and produced water pit and submit a Form 27 for approval prior to final pit closure.*

On December 2, 2014, a Form 27 Site Investigation and Remediation Workplan (Document # 2313314, submitted 11/17/2014) was conditionally approved by the COGCC (Document #2615012). Land treatment of the stockpiled, impacted soils was completed and the pits backfilled in compliance with Remediation Project #8777, which is in the surface reclamation stage. Details are included in the Phase Two Final Land Treatment Progress Report for the Moyer Unit 9-29



Pits (Document # 2615258) and (Inspection Report #679700195) from satisfactory COGCC site inspection on June 29, 2016.

· Include documentation that oily waste from tank battery was properly treated or disposed in accordance with Rule 907.e.

On July 8, 2016 notification was received from the COGCC (Document #2526531) that the remediation of oily waste at the Moyer Unit 16-30 location was complete and the treated waste had been returned to the production pits. Remediation project # 7985 for the remediation of oily waste in the intermittent drainage has officially been resolved and the surface reclamation of the former production pits and land treatment area has commenced.

· This will be completed by June 30, 2014.

Within the Conditions of Approval of the Form 27 Site Investigation and Remediation Workplan (Document #2615012) the proposed Anticipated Completion Date of August 31, 2016 was approved by the COGCC.

2. Scott Lease, Washington County.

Beren will install Rule 210 compliant signs by October 31, 2013.

Beren installed Rule 210 compliant signs prior to October 31, 2013 (Document #2086460).

3. Brewer Lease, Logan County.

Beren shall complete the closing of the skim pit and submit a compliant Form 27 by June 30, 2014.

On June 9, 2014, a Form 27 Request for Closure of the Skim Pit (Document #1733689) was received by the COGCC and assigned Remediation Project #8567. On October 30, 2014 permission to backfill the Skim Pit excavation (Document #2142375) was received from the COGCC. A Form 4 (Document 2143288) containing excavation photos and waste manifests was submitted on January 27, 2015.

4. Cook Lease, Washington County.

The well on this lease has been plugged. Beren is in the process of land farming soils under the supervision of LT Environmental, and has filed a Form 27 to close the underlying NOAV and is awaiting approval. Beren commits to completion of this reclamation project within 24 months of the approval of this Order.



The Beren Colorado Project Update (Document #2086460) was submitted May 6, 2014, which included project status. COGCC Director Lepore extended the deadline (Document #2315501) for oily waste treatment at this site until December 31, 2015. A request for project closure was received by the COGCC on December 31, 2015. On January 8, 2016 COGCC Environmental Protection Specialist Robert J. Young approved the request via email correspondence (Document #2087009).

5. Wright Lease, Washington County.

Beren is currently land farming soils under the supervision of LT Environmental and staff, and commits to completion of this reclamation project within 24 months of the approval of this Order.

The Beren Colorado Project Update (Document #2086460) was submitted May 6, 2014 including project status. A request for project closure was submitted to the COGCC on December 30, 2015 (Document #2087040). On January 13, 2016 COGCC Environmental Protection Specialist Robert J. Young approved the request via email correspondence (Document #2087040, bottom).

6. Additional leaseholds. Beren currently operates the below-listed leaseholds:

- MacNeill Lease, Washington County*
- Williams Lease, Washington County*
- Segelke Lease, Logan County*
- Thompson Lease, Logan County*
- Klinginsmith Lease, Weld County*

Beren will update signs, paint equipment, rebuild containment dikes, replace the few remaining skim pits with skimming equipment, and excavate and remediate skim pit soils. Beren will provide regular updates to staff as work progresses on the various leaseholds. Beren will complete non-skim pit related work within 6 months, while beginning work on the remaining skim pits within 90 days. Beren commits to final closure of the pits within 36 months of the approval of this Order.

MacNeill Lease, Washington County

The Beren Colorado Project Update (Document #2086460) was submitted May 6, 2014 documenting activities at this site, including the installation of signs, and painting of equipment. A Form 27 for the closure of The MacNeill skim pit (Pit ID #107656) was submitted June 30, 2014 and conditionally approved on July 20, 2014. The pit was excavated, sampled, and closed in compliance with assigned Remediation Project #8558. A Form 4 was submitted on January 29, 2015 containing site photos and waste manifests. The remediation project was granted closure status on May 19, 2015 (Document #2143293). COGCC Inspection Document #673710967 from July 16, 2015 documented the status of site signs, painted equipment and containment dikes.



Williams Lease, Washington County

On April 16, 2014, a Form 6 (Intent to Abandon) was approved by the COGCC (Document #400583691). The well has been plugged and all production equipment has been removed.

A Form 27 (Document #1733681) for the closure of The Williams 2 skim pit (Pit ID #105913) was submitted June 30, 2014 and conditionally approved on July 20, 2014. The produced water pit (Pit ID #105912) was added to the remediation project and both pits were excavated, sampled, and closed in compliance with assigned Remediation Project #8557 (Document #2313681). A supplemental Form 27 was submitted on January 30, 2015 (Document #2143439) containing site investigation details, site photos and waste manifests. The remediation project was granted closure status on May 29, 2015 (Document #2143441). COGCC Inspection Document #673713137 from May 4, 2016 documents the status of the site.

Segelke Lease, Logan County

On February 12, 2016 a Form 6 (Intent to Abandon) was approved by the COGCC (Document #400977614). The well has been plugged and all production equipment has been removed.

A Form 27 (Document #20440508) for the closure of the Segelke skim pit, produced water pit (Pit IDs #110647, #110648), and the skim tank base area was submitted October 13, 2016 and conditionally approved (Document #s 2087275, 2087277, 208778) on November 11, 2016. The pit was excavated, sampled, and closed in compliance with the Conditions of Approval assigned to Remediation Project #9899. On March 7, 2017, the remediation project was granted closure status. COGCC Environmental Protection Specialist Robert J. Young approved the request via email correspondence (Please see Document # 2087316 and emails included within Exhibit A).

Thompson Lease, Logan County

On January 13, 2016, a Form 6 (Intent to Abandon) was approved by the COGCC (Document #400583189). The well has been plugged and all production equipment has been removed.

A Form 27 (Document 200408746) for the closure of the Thompson skim pit, produced water pit (Pit IDs 112224, 112225), the heater treater and tank battery areas was submitted June 30, 2014 and conditionally approved (Document 2142374) on July 17, 2014. The pit was excavated, sampled, and closed in compliance with assigned Remediation Project #8519. A supplemental Form 27 was submitted on January 30, 2015 containing site investigation



results, site photos and waste manifests. The remediation project was granted closure status on January 30, 2015 (Document #2143522).

Klinginsmith Lease, Weld County

On April 16, 2014, a Form 6 (Intent to Abandon) was approved by the COGCC (Document #400583079). The well has been plugged and all production equipment has been removed.

The Beren Colorado Project Update (Document #2086460) was submitted May 6, 2014 containing an update on activities at this site. A Form 27 (Document #200409281) for the closure of the Thompson skim pit, produced water pit (Pit IDs #100584, #100585), the heater treater and tank battery areas was submitted June 30, 2014 and conditionally approved on July 16, 2014. The pit was excavated, sampled, and closed in compliance with assigned Remediation Project #8536. A Form 4 (Document #400793234) was submitted on February 13, 2015 containing site photos and waste manifests. The remediation project was granted closure status on January 21, 2015 (Document #2143289).

IV. Beren will provide training to employees regarding COGCC spill reporting requirements, spill remediation, E&P waste management and good housekeeping practices. Beren will provide the COGCC staff and subcontractors a copy of an outline of the written training program.

By May 6, 2014 Beren had provided training to employees regarding COGCC spill reporting requirements, spill remediation, E&P waste management, and good housekeeping practices. The Beren Colorado Spill Training Outline was provided to the COGCC as an attachment to the May 6, 2014 Beren Colorado Project Update (Document #2086460).

Conclusions

On July 12, 2013 COGCC staff issued Notice of Alleged Violation (“NOAV”) #200382925 to Beren in response to two site inspections at the Moyer lease. The NOAV required Beren to correct, or abate the alleged rule violations by performing corrective actions. On October 28, 2013, an AGREEMENT was made within the Administrative Order by Consent 1V-435 whereby “*the Director proposes and Beren agrees to settle the NOAV on the following terms and conditions:*

I. Beren will be assessed a penalty of \$ 100,000.

II. Beren will pay \$50,000 within 30 days after this AOC is approved by the Commission.

The remaining \$50,000 is suspended pending timely completion of the compliance schedule described below. If Beren fully performs the compliance schedule on time, the suspended portion of the penalty will be vacated by the Director. If Beren fails to fully perform the compliance plan and schedule, the suspended penalty will become due 30 days from written notice from the Director, without further action by the Commission.



III. Beren will conform to the Compliance Plan/Schedule for its Colorado properties as listed below:
Please reference to projects listed above.

Based on the timely payment of the initial fine, the extensive amount of remediation and site improvement work that has been performed under twelve separate remediation projects, and finally the completion of the stipulated corrective actions within AOC 1V-435 that are listed above Beren would request that the \$50,000 suspended penalty be permanently vacated and that NOAV #200382925 and AOC 1V-435 be officially settled and closed between Beren and the COGCC.

Please contact me at (303) 854-7337 if you have any questions regarding this report.

Sincerely,

A handwritten signature in blue ink, appearing to read "Carter Peace", is positioned above the typed name.

Carter Peace
Tasman Geosciences Inc.
6899 Pecos Street - Unit C
Denver, CO 80221
cpeace@tasman-geo.com
Cell 303 854 7337
Office 303 487 1228



Attached:
Exhibit A – Segelke Closure Email Correspondence

Exhibit A

Carter Peace

From: Young - DNR, Rob <rob.young@state.co.us>
Sent: Thursday, February 16, 2017 1:14 PM
To: Carter Peace
Cc: Rodney Reynolds
Subject: Re: Segelke Backfill Progress Report REM #9899

Carter,

Based on the information that you have provided, you can proceed with the seeding of the location. I will send a closure email for the remediation project separately.

Thank you,

Rob

Robert J. Young
Environmental Protection Specialist



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

P 303.252.0126 | C 720.471.1304
1120 Lincoln Street, Suite 801, Denver, CO 80203 rob.young@state.co.us | www.colorado.gov/cogcc

On Mon, Feb 13, 2017 at 9:41 AM, Carter Peace <cpeace@tasman-geo.com> wrote:

Operator: Beren Corporation (#7800)

Facility Name: Segelke #1, and #2 Pit Complex (Facility ID# 110647, and 110648)

Site Legals: SWSW S30 T6N R54W 6PM

API # 05-075-05029

REM #9899

Hello Rob,

On behalf of Beren Corporation (Beren), Tasman Geosciences, Inc.(Tasman) is submitting this progress report for the closure of the water pits at the Segelke facility (Figure 1). This report below includes a summary of

backfill activities, results of surface sampling activities, reclamation details, and a request for a No Further Action determination for the site.

Backfilling and grading of the water pits area was completed January 30, 2017 and surface soil samples to confirm compliance with Table 910-1 concentration levels for Ph, Electrical Conductivity (EC), and Sodium Adsorption Ratio (SAR) were collected on February 2nd, 2017. Surface soil samples were collected from the berm footprint as well as the interior pit footprint, surface soil sample locations are illustrated on the attached Surface Soil Sample Location Map-Figure 2. Soil analytical results are summarized within Table 1 and the corresponding analytical report is also attached. Surface soil samples indicated that pH, EC, and SAR levels are below Table 910-1 allowable concentration levels. The water pit area has been disced to break up any soil clods and with COGCC approval will be drill seeded, and straw crimped as soon as possible. Beren would request a No Further Action determination for the Segelke site and the closure of Remediation Project # 9899.

Please contact me with any questions about this project,

Thank you,

Carter Peace

Operations Manager

Tasman Geosciences

6899 Pecos Street - Unit C

Denver, CO 80221

Cell [303 854 7337](tel:3038547337)

Office [303 487 1228](tel:3034871228)



Carter Peace

From: Young - DNR, Rob <rob.young@state.co.us>
Sent: Tuesday, March 7, 2017 12:32 PM
To: Carter Peace; Rodney Reynolds
Subject: Rem #9899 - Segelke 1&2 Pit Closure - NFA Granted

Carter,

Based on the information presented, it appears that no further 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 ground water is found to be impacted, then further investigation and/or remediation activities may be required. In addition, the surface area disturbed by the remediation activity shall be reclaimed in accordance with the 1000 Series Reclamation Rules.

Please contact me if you have any questions.

Thank you,

Robert J. Young
Environmental Protection Specialist



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