

Addendum to Form 4 dated July 6, 2020 – E-M Emerald C-1HZ

In response to Field Inspection by John Heil, dated 4/09/2020, doc. no. 699700124

In response to Field Inspection by Richard Murray, dated 12/19/2019, doc. no. 693200482, to register an off-location flowline, a MIT was performed by Big D Pumping Inc, of Rangely, CO on 4/08/2020. The operator over pressurized the flowline to 320 psi resulting in a pinhole rupture in the 2-inch steel flowline. Test was stopped and the pipeline at the leak site was excavated. COGCC was notified and inspector Rick Moran arrived within an hour to inspect, doc. no. 700400919. The leak was repaired with a “band aid” clamp and Big D had a hot oil truck flush the line to clean out all oil from flowline. The flowline was then flushed with produced water to the tank battery located approximately 180 feet to the northwest. Stewart Welding sent a certified welder to the site and a 4 ft section of the pipe was removed and replaced. Another pressure test was performed with water and experienced slow leak at 150 psi. Well and flowline were shut-in. Eagle Operating has decided to abandon the flowline in place and move the tank battery to the well site E-M Emerald C-1HZ to which it is registered. Form 42 will be filed. Abandonment in place desired because the flowline is beneath the well power line in the same trench and removal would be difficult.

Limited work was continued on other inspection issues including two improperly covered historical pits. These were silted-in pits that Eagle had used as produced water evaporation pits until regulations prohibited the practice. COGCC Inspector Aaron Trujillo on 2/13/2020, doc. no. 696200978, noted that two pits had been closed without proper documentation and requested a Form 27 be filed. Per consultation with John Heil, soil samples were also collected 1 to 2 feet beneath the bottom of the buried pits as shown on maps.

Thus, soil sample analyses were required for six sites. Due to Covid 19 interruptions in business, sample collection was delayed until 6/11/2020. Two samples were collected at the flowline excavation: one from the contaminated soil collected during the excavation and one from soil beneath the flowline to document no hydrocarbons had permeated deeper.

On June 11, Andrew Smith with LT Environmental, located in Rifle, CO, collected these samples which were secured with proper chain of custody and submitted to ALS Environmental in Holland, MI for analyses.

Attached is a Laboratory Results Summary Table compiled by LT Environment; two maps on a Google Earth Base; and a Sample Site Locations Table with sample numbers, their latitude and longitude and a description of sites, prepared by Geocav Consulting. Note that the laboratory results table has been compiled with COGCC reporting limits. The two analytes that exceed the COGCC limits, arsenic and EC, are also above limits in the background sample collected in undisturbed ground about 200 feet northwest of the oil field operations.