

## State of Colorado

## Energy &amp; Carbon Management Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203

Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

403737730

Date Received:

04/01/2024

Spill report taken by:

Heibel, Krystal

Spill/Release Point ID:

485875**SPILL/RELEASE REPORT (SUPPLEMENTAL)**

This form is to be submitted by the party responsible for the oil and gas spill or release. Refer to ECMC Rule 912.b. for reporting requirements of spills or releases of E&P Waste, produced Fluids, or unauthorized Releases of natural gas. Submit a Site Investigation and Remediation Workplan (Form 27) if Rule 913.c. applies.

**OPERATOR INFORMATION**

Name of Operator: <u>VERDAD RESOURCES LLC</u>	Operator No: <u>10651</u>	<b>Phone Numbers</b>
Address: <u>1125 17TH STREET SUITE 550</u>		Phone: <u>(720) 845-6901</u>
City: <u>DENVER</u>	State: <u>CO</u>	Zip: <u>80202</u>
Contact Person: <u>Michael Cugnetti</u>		Mobile: <u>( )</u>
		Email: <u>mcugnetti@verdadresources.com</u>

☐ Transfer of Operatorship: Pursuant to Rule 912.f, this Supplemental Form 19 is being submitted to designate the Buying Operator as the responsible Operator for this Spill and Release.

**INITIAL SPILL/RELEASE REPORT**Initial Spill/Release Report Doc# 403647037

Initial Report Date: <u>01/07/2024</u>	Date of Discovery: <u>01/06/2024</u>	Spill Type: <u>Recent Spill</u>
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**Spill/Release Point Location:**

QTRQTR SESW SEC 25 TWP 9N RNG 60W MERIDIAN 6

Latitude: 40.715207 Longitude: -104.040659

Municipality (if within municipal boundaries): \_\_\_\_\_ County: WELD

Enter Lat./long measurement of the actual Spill/Release Point. Lat./Long. Data shall meet standards of Rule 216.

☐ Check this box if this spill/release is related to a loss of integrity of a flowline, pipeline, crude oil transfer line, or produced water transfer line.

**Reference Location:**

Facility Type: OIL AND GAS LOCATION ☒ Facility/Location ID No 462872

Spill/Release Point Name: Peggy 2501 Pad ☐ Well API No. (Only if the reference facility is well) 05- -

☐ No Existing Facility or Location ID No.

Estimated Total Spill Volume: use same ranges as others for values

Estimated Oil Spill Volume(bbl): <u>&gt;=5 and &lt;100</u>	Estimated Condensate Spill Volume(bbl): <u>0</u>
Estimated Flow Back Fluid Spill Volume(bbl): <u>0</u>	Estimated Produced Water Spill Volume(bbl): <u>0</u>
Estimated Other E&P Waste Spill Volume(bbl): <u>0</u>	Estimated Drilling Fluid Spill Volume(bbl): <u>0</u>

Specify: \_\_\_\_\_

Has the subject Spill/Release been controlled at the time of reporting? Yes

**Land Use:**

Current Land Use: NON-CROP LAND

Other(Specify): \_\_\_\_\_

Weather Condition: cold, night time clear skies

Surface Owner: FEE

Other(Specify): Mr, Shull

Describe what is known about the spill/release event (what happened -- including how it was stopped, contained, and recovered):

At approximately 9pm a gasket on the north heater treater fire tube failed. Facility was shutdown immediately. Initial oil spill volume estimate is 10 BBLs. Spill cleanup has been completed. Spill clean up confirmation sampling and testing will be done this week.

**List of Agencies and Other Parties Notified Pursuant to Rule 912.b.(7)-(11):**

**OTHER NOTIFICATIONS**

<u>Date</u>	<u>Agency/Party</u>	<u>Contact</u>	<u>Phone</u>	<u>Response</u>
1/7/2024	Landowner	Mr. Shull	-	no response
1/7/2024	Weld County	OEM spill report	-	form accepted

**REPORT CRITERIA**

**Rule 912.b.(1) Report to the Director (select all criteria that apply):**

- No Rule 912.b.(1).A: A Spill or Release of any size that impacts or threatens to impact any Waters of the State, Public Water System, residence or occupied structure, livestock, wildlife, or publicly-maintained road.
- Waters of the State: \_\_\_\_\_ Public Water System: \_\_\_\_\_
- Residence or Occupied Structure: \_\_\_\_\_ Livestock: \_\_\_\_\_
- Wildlife: \_\_\_\_\_ Publicly-Maintained Road: \_\_\_\_\_
- Yes Rule 912.b.(1).B: A Spill or Release in which 1 barrel or more of E&P Waste or produced fluids is spilled or released outside of berms or other secondary containment.
- No Rule 912.b.(1).C: A Spill or Release of 5 barrels or more of E&P Waste or produced Fluids regardless of whether the Spill or Release is completely contained within berms or other secondary containment.
- No Rule 912.b.(1).D: Within 6 hours of discovery, a Grade 1 Gas Leak. For a Grade 1 Gas Leak from a Flowline, the Operator also must submit the Form 19 – Initial, document number on a Form 44, Flowline Report, for the Grade 1 Gas Leak
- Enter the approximate time of discovery \_\_\_\_\_ (HH:MM)
- Enter the Document Number of the Grade 1 Gas Leak Report, Form 44 \_\_\_\_\_
- Was there a reportable accident associated with either a Grade 1 Gas Leak or an E&P waste spill or release? \_\_\_\_\_
- Enter the Document Number of the Initial Accident Report, Form 22 \_\_\_\_\_
- Was there damage during excavation? \_\_\_\_\_
- Was CO 811 notified prior to excavation? \_\_\_\_\_
- Yes Rule 912.b.(1).E: The discovery of 10 cubic yards or more of impacted material resulting from a current or historic Spill or Release. Discovery and reporting will not be contingent upon confirmation samples demonstrating exceedance of Table 915-1 standards.
- Estimated Volume of Impacted Solids (cu. yd.): \_\_\_\_\_ 41
- No Rule 912.b.(1).F: The discovery of impacted Waters of the State, including Groundwater. Discovery and reporting will not be contingent upon confirmation samples demonstrating exceedance of Table 915-1 standards. The presence of free product or hydrocarbon sheen on Groundwater or surface water is reportable. The presence of contaminated soil in contact with Groundwater or surface water is reportable. Check all that apply:
- ☐ The presence of free product or hydrocarbon sheen Surface Water
- ☐ The presence of free product or hydrocarbon sheen on Groundwater
- ☐ The presence of contaminated soil in contact with Groundwater
- ☐ The presence of contaminated soil in contact with Surface water

No	Rule 912.b.(1).G: A suspected or actual Spill or Release of any volume where the volume cannot be immediately determined, including a spill or release of any volume that daylights from the subsurface.
No	Rule 912.b.(1).H: Spill or Release resulting in vaporized hydrocarbon mists that leave the Oil and Gas Location or Off-Location Flowline right of way from an Oil and Gas Location and impacts or threatens to impact off-location property.  <input type="checkbox"/> Areas offsite of Oil & Gas Location <input type="checkbox"/> Off-Location Flowline right of way
No	Rule 912.b.(1).I: A Release of natural gas that results in an accumulation of soil gas or gas seeps.
No	Rule 912.b.(1).J: A Release that results in natural gas in Groundwater.

SPILL/RELEASE DETAIL REPORTS

#1	Supplemental Report Date: 04/01/2024		
FLUIDS	BBL's SPILLED	BBL's RECOVERED	Unknown
OIL	10	10	<input type="checkbox"/>
CONDENSATE	0	0	<input type="checkbox"/>
PRODUCED WATER	0	0	<input type="checkbox"/>
DRILLING FLUID	0	0	<input type="checkbox"/>
FLOW BACK FLUID	0	0	<input type="checkbox"/>
OTHER E&P WASTE	0	0	<input type="checkbox"/>
specify: _____			
Was spill/release completely contained within berms or secondary containment? NO Was an Emergency Pit constructed? NO			
Secondary containment, <b>including walls &amp; floor regardless of construction material</b> , must be sufficiently impervious to contain any discharge from primary containment until cleanup occurs.			
<b>A Form 15 Pit Report shall be submitted within 30 calendar days after the construction of an emergency pit</b>			
Impacted Media (Check all that apply) <input checked="" type="checkbox"/> Soil <input type="checkbox"/> Groundwater <input type="checkbox"/> Surface Water <input type="checkbox"/> Dry Drainage Feature			
Surface Area Impacted: Length of Impact (feet): 210		Width of Impact (feet): 90	
Depth of Impact (feet BGS): 0		Depth of Impact (inches BGS): _____	
How was extent determined?			
Extent was determined visually. Extent and cleanup confirmation samples were collected and submitted to laboratory for analysis.			
Soil/Geology Description:			
Spill occurred on pad surface of 12 inches of imported roadbase which was not penetrated and was immediately cleaned up. Imported compacted roadbase material was the only soil impacted. Under the roadbase is Olney fine sandy loam, 0 to 6 percent slopes.			
Depth to Groundwater (feet BGS) 90		Number Water Wells within 1/2 mile radius: 1	
If less than 1 mile, distance in feet to nearest		Water Well 2065 None <input type="checkbox"/>	Surface Water _____ None <input checked="" type="checkbox"/>
		Wetlands _____ None <input checked="" type="checkbox"/>	Springs _____ None <input checked="" type="checkbox"/>
		Livestock 500 None <input type="checkbox"/>	Occupied Building 2200 None <input type="checkbox"/>
Additional Spill Details Not Provided Above:			

CORRECTIVE ACTIONS

#1 Supplemental Report Date: 04/01/2024

Root Cause of Spill/Release Pipe, Weld, or Joint Failure

Other (specify)

Type of Equipment at Point of Spill/Release: Horizontal Heater Treater

If "Other" selected above, specify or describe here:

Describe Incident & Root Cause (include specific equipment and point of failure)

A gasket on the north heater treater fire tube failed. Oil spill volume is 10 BBLs. Investigation determined that the gasket material in the heater treater was inappropriate for the purpose.

Describe measures taken to prevent the problem(s) from reoccurring:

All similar service equipment was checked across our operations. Two other heater treaters were found to have the wrong gaskets and were replaced. All PSSRs for new facilities will check for proper gaskets in separation equipment. The manufacturer has been notified and will ensure future equipment we receive has the proper gaskets.

Volume of Soil Excavated (cubic yards): 41

Disposition of Excavated Soil (attach documentation) ☒ Offsite Disposal ☐ Onsite Treatment ☐ Other (specify)

Volume of Impacted Ground Water Removed (bbls): 0

Volume of Impacted Surface Water Removed (bbls): 0

## REQUEST FOR CLOSURE

**Spill/Release Reports should be closed when impacts have been remediated or when further investigation and corrective actions will take place under an approved Form 27.**

- Basis for Closure: ☒ Corrective Actions Completed (documentation attached, check all that apply)
- ☒ Horizontal and Vertical extents of impacts have been delineated.
- ☒ Documentation of compliance with Table 915-1 is attached.
- ☒ All E&P Waste has been properly treated or disposed.
- ☐ Work proceeding under an approved Form 27 (Rule 912.c).
- Form 27 Remediation Project No:
- ☐ SUSPECTED Spill/Release did not occur or was below Rule 912.a.(5) reporting thresholds.

## OPERATOR COMMENTS:

I hereby certify all statements made in this form are to the best of my knowledge true, correct, and complete.

Signed: Print Name: Michael Cugnetti

Title: Director of EHS&R Date: 04/01/2024 Email: mcugnetti@verdadresources.com

COA Type	Description
0 COA	

## Attachment List

<u>Att Doc Num</u>	<u>Name</u>
403737730	FORM 19 SUBMITTED
403737777	ANALYTICAL RESULTS
403737778	SOIL SAMPLE LOCATION MAP
403737779	OTHER
403737780	OTHER
403737781	OTHER
403737782	PHOTO DOCUMENTATION
403737783	PHOTO DOCUMENTATION
403737784	PHOTO DOCUMENTATION
403737785	PHOTO DOCUMENTATION
403737786	PHOTO DOCUMENTATION
403737787	DISPOSAL MANIFEST
403737789	ANALYTICAL RESULTS
403737790	ANALYTICAL RESULTS

Total Attach: 14 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Environmental	Based on the information presented, it appears that no further action is necessary at this time and the ECMC approves the closure request. However, should future conditions at the site indicate contaminant concentrations in soils exceeding ECMC standards or if groundwater 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.	04/03/2024

Total: 1 comment(s)