EXERCISE 1 (M1L5)

Smith, Ann E

From: Garth Bloomberg <gbloomberg@BXTenergyresources.net>

Sent: Tuesday, March 13, 2020 8:32 AM

To: Smith, Ann E

Subject: Federal #2 Spill Report

Ann,

We had a produced water release from a 500-bbl tank located on the Federal #2 well site. The spill discharged into the secondary containment and spilled over the earthen berm and ran off the fill slope of the well pad down into the pasture about 100 yards away. We believe the spill occurred on March 1, 2020 due to a broken valve on the load-out line based on data from tank automation. We are still investigating how the valve broke, but temperatures did drop below freezing the night before the release. No damage occurred to equipment other than the valve. 10 barrels of produced water that remained in the earthen berm was vacuumed up on March 3rd and taken to a state-approved disposal facility. No injuries occurred. I notified James Dugan with the Colorado Oil and Gas Conservation Commission of the incident.

Let me know if you need anything else.

Garth

BXT Energy Resources

EXERCISE QUESTIONS

1. What information is needed from the operator before you perform your inspection? What are you going to ask the operator?

2. What information will be needed for the final written report?