

MYTHBUSTERS

Industry Spills in Colorado

MYTH BUSTER: Industry Spills in Colorado

Myth #1 – Spills often go unreported.

Any observable release of exploration and production (E&P) fluids or produced fluids spilled onsite is considered a spill, be it crude oil, condensate or salty water produced from a well, treatment fluids used during hydraulic fracturing, or diesel fuel used to power drilling rig generators. Rule 906 of the Colorado Oil and Gas Conservation Commission (COGCC) establishes requirements for spills and releases.¹ Rule 906.a. requires operators investigate, clean up, and document impacts from spills to the COGCC and Rule 906.b. defines reportable spills and reporting requirements for spills/releases.

Rule 906 was updated in February 2014, and under the new rules an operator must report to the Director of the COGCC, verbally or in writing (within 24 hours of discovery), a spill or release in which one (1) barrel of more of E&P waste or produced fluids is spilled or released outside of berms or other secondary containment or a spill exceeding five (5) barrels within 24 hours after discovery.² The threshold under the previous rule was within 24 hours for twenty (20) barrels. Additionally, the term “produced fluids” was added to clarify that spills of oil, condensate, or natural gas liquids must be reported along with other exploration and production (E&P) waste. The other key change under amended rule 906b requires operators to report certain spills to the surface owner and local governments within 24 hours.

As summarized by COGCC:

If any fluids are spilled or released, Rule 906 requires operators to:

- *Control and contain all spills/releases of E&P waste or produced fluids to protect the environment, public health, safety, and welfare, and wildlife resources;*
- *Operators shall investigate, clean up, and document impacts resulting from spills/releases as soon as practicable;*
- *The Director may require additional activities to prevent or mitigate threatened or actual significant adverse environmental impacts on any air, water, soil or biological resource, or to the extent necessary to ensure compliance with the concentration levels in Table 910-1, with consideration to WQCC ground water standards and classifications;*
- *Operators shall report a spill or release of E&P Waste or produced fluids that meet any of the following criteria to the Director verbally or in writing as soon as practicable, but no more than twenty-four (24) hours after discovery (the “Initial Report”).*
 - *A spill/release of any size that impacts or threatens to impact any waters of the state, a residence or occupied structure, livestock, or public byway;*
 - *A spill/release in which one (1) barrel or more of E&P Waste or produced fluids is spilled or released outside of berms or other secondary containment;*
 - *A spill/release of five (5) barrels or more regardless of whether the spill/release is completely contained within berms or other secondary containment.*

1 <http://cogcc.state.co.us/>

2 <http://cogcc.state.co.us/documents/reg/Rules/LATEST/900series.pdf>





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In December 2015, the COGCC reported that 53,719 wells were in active operation in Colorado. To get a sense of the size and scope of spills in Colorado, comparing spill volume to the volume of handled fluids creates an accurate picture. COGCC documents in an October 2015 “COGCC Spill Analysis by Year 1999-Q3 2015” report³ that although the industry had spilled 1.7 million gallons of fluids by that time in 2015, it had handled over 10.5 billion gallons of fluids: Meaning, total fluids spilled constituted 1/10000 or .01% – of the overall volume of fluids handled by industry. That’s not to dismiss the figure, nor ignore the potential for small spills to cause environmental damage, simply to put the scope in perspective. As these statistics confirm, the oil and gas industry is major industry in Colorado operating on a large scale. Unfortunately, there will be spills, releases, and other impacts, and industry must continuously improve its performance and strive to minimize these events and, when spills or releases occur, promptly respond, contain, and clean them up.

Myth #2 - Spills often go un-remediated.

Regardless of size or reporting threshold, all spills are required to be cleaned up. The COGCC notes the following – “It is worth emphasizing that these containment, investigation, and clean up requirements apply to all spills and releases, regardless of their size or when they occurred or were discovered.”

Various technologies to remediate spills that impact soil or groundwater are designed and implemented by experienced environmental professionals to achieve cleanup standards established by regulatory agencies. Operators handle spills and releases that are less than the one-barrel (41 gallons) threshold (commonly referred to as non-reportable spills), the same as reportable spills. Upon discovery, operators respond to both reportable and non-reportable spills to ensure that the source of the spill is controlled and the extent of the spill is contained. An investigation is performed to identify the source and cause(s) of the spill. Operators are also responsible for spills and releases caused by contractors that provide services in drilling, completing, and producing oil and gas wells. Operators understand the value of identifying and tracking all spills, whether internally on less than the one-barrel spill volume for E&P Waste, or produced fluids reporting threshold or a spill or release of more than five barrels. Effective spill management is good business in preventing small spills from becoming large spills, learning from failed equipment and practices that can be corrected to prevent future spills, and to avoid steep agency penalties and additional costs from poor performance and spill management.

Myth #3: All oil and gas spills require an emergency response.

Environmentally sound, safe work practices are incorporated into industry daily operations. Operators are required by both COGCC and Environmental Protection Agency (EPA) regulations to maintain and implement spill prevention plans that include measures such as berms, liners, and other means to control and contain spills. Many operators also require that field employees and contractors be trained in spill prevention and response practices.

³ <http://cogcc.state.co.us/documents/data/downloads/environmental/SpillAnalysisByYear.pdf>





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Operators also retain contractors that specialize in spill response and these contractors are on call 24/7 to provide assistance upon request.

In the event of an emergency, operators activate immediate and organized responses with the main objective to protect the public, its employees, and the environment. Although discovery of a spill necessitates an immediate response, not every spill response constitutes an emergency response. Many spills are captured and contained on-site and are easily mitigated by isolation of the source, removal of the spilled fluids, and remediation of any impacted soils below the ground surface.

