

2717 County Road 215 Parachute, CO 81635 International Telephone +1 (970) 285-6500 General Facsimile (970) 285-6393

Monday, August 6, 2012

Mr. Nathan Wiser 8ENF-UFO U. S. Environmental Protection Agency Region VIII 1595 Wynkoop Street Denver, CO 80202-1129 ENV034.12

## RECEIVED

AUG 0 7 2012 GRAND JUNCTION FIELD OFFICE DIVISION OF RECLAMATION MINING & SAFETY

Dear Mr. Wiser:

As you are aware, American Soda conducted mechanical integrity testing of the remaining Class III injection wells in the Yankee Gulch Well Field on May 30 and 31, 2012. One of the conditions of temporary abandonment requires this testing to be performed every two years. During the testing in May, one well string failed (see table below for additional details on this well string).

Well ID	Stringer Failing MIT 5/31/2012	Size	Depth to CIBP	Dissolution Surface	
28-21	Long String	7"	1615'	1460'	

American Soda has been coordinating with contractors to finalize plans and schedules for the plugging and abandonment work on this well string. We understand that EPA notification is required in advance (45 days) of the work to plug and abandon wells so that EPA can review the plans and a representative may witness the testing if possible. This letter is intended to provide notification to the EPA that American Soda intends to plug and abandon the well string according to the information supplied in the preliminary plugging and abandonment plan which is attached.

Please review the information submitted in this plugging and abandonment plan and provide EPA approval so that we can finalize the purchase order for this work. We do not yet have confirmation of the date the plugging will be completed. Our discussions with the contractors who will be doing the work are currently focused on the last week of August or very early in September. As soon as we confirm a date I will contact you to let you know when it is scheduled. Please let me know if you can accommodate an EPA notification period shorter than 45 days for the plugging and abandonment work.

ENV034.12

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We are making every endeavor to schedule the work to meet the 90 day time period from the date of the mechanical integrity testing on May 31, 2012 but due to the coordination effort with the vendors we may need to schedule slightly beyond the 90 day time frame.

We look forward to your review and approval of this plan. Once we receive your approval and can schedule and complete the work we will submit the final plugging and abandonment report on this well for your records.

Should you have any questions or comments regarding this information please contact me at (970) 285-0406.

Sincerely,

Celina SKen

Celina Akin Environmental Specialist

Enclosures: Preliminary EPA Plugging and Abandonment plan Well 28-21 Preliminary BLM Sundry Notice Plugging and Abandonment Well 28-21

Cc: Paul Daggett, BLM Travis Marshall, DRMS

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NAME AND ADDRESS OF FACILITY American Soda L.L.P. 27991 County Road 5 Rifle, Co, 81650					NAME AND ADDRESS OF OWNER/OPERATOR American Soda L.L.P. 2717 County Road 215 Parachute, Co, 81635												
				STATE	STATE COUNTY PERMIT NUMB							T NUMBEI	R				
LOCATE WELL AND OUTLINE UNIT ON SECTION PLAT 640 ACRES				CO. Rio Blanco CO3858-							358-0456	67					
1				SURFACE LOCATION DESCRIPTION 4 of 4 of 4 of 5 ection 28 Township 1S Range 97W 542.79' S. and 102.49' E. of NW corner of Section 28, Township 1S, Range 97W 6 <sup>th</sup> P.M.								6 <sup>th</sup> P.M.					
				CATE WELL IN TWO DIRECTIONS FROM NEAREST LINES OF QUARTER SECTION AND DRILLING UNIT Irface Location 542.79' (S) from section corner and 102.49' (E) from section corner													
											ound Level =	6287′					
						5212.14 Easting 12376.71 Northing						1/		TUTT	v		
					TYPE OF AUTHORIZATION						WELL ACTIVITY						
W				E		ividual P 2a Permit		it			CLASS						
											1	Brine Dis	oosal				
			<u>   </u>		NT 1	6 147 11							Recovery				
					Number	of Wells	1	l					ocarbon Storage (Nahcolite Production Well)				
													al 7" Casing Completion				
													O I				
		S			Lease Na	Lease Name Yankee Gulch Well Number						ber <b>28</b> -	28-21				
	CAS	ING AND TU	JBING RECO	DRD A	FTER PLU	GGING				METH	OD OF EMPI			IENT	PLUGS		
		L TO BT DIT		1 100							territ un f						
SIZE	WT(LB/FT) 95# - ERW	0	IN WELL(FT)	75	BE LEFT IN	WELL(FI							Bailer Method				
7"	26# - J-55 &	0			75' (shor	t string)	+	19"	_		The Two-P						
	N-80				(							0					
7″	26# -J-55 &	0		199	92′ (long	g string)		19"		X	Other Coil Tubing	Linit					
CEN	N-80 MENTING TO PL	l .ug and ae	BANDONEL	DATA	A PL	UG #1	PI	LUG #2	PL	.UG #3	PLUG #4	PLUG #	5 PLUG	#6	PLUG #7		
	Hole or Pipe in v			(inche		(Short)		' (Long)									
Depth to Bottom of Tubing or Drill Pipe (ft.)					167		_	575' 515'					_				
Depth to Cast Iron Bridge Plug (ft.) Sacks of Cement Used (each plug)				290	-	29						-					
Slurry Volume Pumped (cu. ft.)			333			33.5											
Calculated Top of Plug (ft.) Measured Top of Plug (if tagged ft.)					rface rface		urface urface										
Slurry Wt. (Lb./Gal.)				15.		+	5.8										
Туре с	ement or other m					pe G		ype G		urpp c		DELLA					
	From	LIST ALI	LOPEN HO		ID/OR PEI To	kfUKAT		NIEKVAL		HERE C.	ASING WILL	BE VAR	ED (if any)	То			
									- 4								
							-										
							1										
August XX, 2012- Dissolution surface at 1460'. Well plugged and abandoned to Cast Iron Bridge Plug set at 1615'. Coil tubing placement of cement at bridge plug (1615'). Pumped 290 sacks of Type G, 15.8 pounds/gallon 1.15 ft <sup>3</sup> /sack cement in the long string 7" casing. Short string 7" casing plugged and abandoned in Sept. 2008.								pounds/gallon,									
	TE FOLLON UCH		s long st	ingi	1 04311	.g. on	UL .	oung /	00	Joing P	nuggeu a	nu ava	nuoneu	110	ορι. 2000.		
					a.a			IFICATIO									
I certify under the penalty of the law that I have personally examined and am familiar with the information submitted in this document and all attachments and that, based on my inquiry of those individuals																	
immediately responsible for obtaining the information, I believe that the information is true, accurate,																	
and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment. (Ref. 40 CFR 144.32																	
NAME AND OFFICIAL TITLE (Please type or print) David Valvoda Plant Manager					SIGN	SIGNATURE DATE SIGNED August XX, 2012						2012					

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Form 3160-5 (June 1990)		ED STATES NT OF THE INTERIOR		FORM APPROVED Budget Bureau No. 1004-0135 Expires: March 31, 1993				
	BUREAU OF		5. Lease Designation and Serial No. Yankee Gulch CO-118328					
	SUNDRY NOTIC							
Do not use this:	form for proposals to d	rent reservoir.	6. If Indian, Allottee or Tribe Name					
	Use "APPLICATION I		N/A					
	SUBMI	7. If Unit or CA, Agreement Designation N/A						
1. Type of Well			8. Well Name and No.					
□ Oil Well □	Gas Well 🗵 Other		American Soda L.L.P. 28-21 EPA Class III CO3858-04567					
2. Name of Operator American Soda, L			9. API Well No.					
3. Address and Tele	phone No.		10. Field and Pool, or Exploratory Area					
2717 County Road	d 215, Parachute, Col		Central Piceance Creek Basin					
4. Location of Well (	Footage, Sec., T., R., M.		11. County or Parish, State					
15,212.14 Eastin 12,376.71 Northin		of Section 28, T1S, R97W 6 <sup>th</sup> P.M.		Rio Blanco, Colorado				
12. CHECK APPR	OPRIATE BOX(s) TO I	NDICATE NATURE OF NOTICE, R	EPORT OR OTHER	DATA				
TYPE OF SU	JBMISSION	TYPE OF ACTI	TION					
🗆 Notice c	of Intent	⊠Abandonment	hange of Plans					
		□ Recompletion	ew Construction					
🗆 Subsequ	ent Reports	Plugging Back	Ion-Routine Fracturing					
	-	Casing Repair	Vater Shut-Off					
⊠Final Ał	pandonment Notice	□ Altering Casing		Conversion to Injection				
		□ Other		Dispose Water				
			Report results in multiple completion on Well					
				letion or Recompletion Report and Log form.				

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\*

- On 7/21/2004 Well 28-21 dissolution surface at 1460'. Cast Iron Bridge Plug set at 1615' on 7" short string and 7" long string.
- On 9/11/2008 Well 28-21 7" short string failed MIT.

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- On 12/18/2008 Halliburton tripped coil tubing to the cast iron bridge plug at 1615' and pumped 290 sacks of Type G cement, 15.8 #/gallon, 1.15 ft<sup>3</sup>/sack cement, slurry volume 333.5 ft<sup>3</sup> in short string 7" casing.
- A cap is in place on the short string casing indicating the date of plugging and abandonment and the well identification.
- The wellhead is not cut down at this time since the long string 7" casing remains after passing MIT on 9/11/2008.
- On 5/31/2012 Well 28-21 7" long string failed MIT.
- August 2012 plugging and abandonment planned for Well 28-21 long string. Cast iron bridge plug set at 1615' (7/21/2004) same as short string.

14. I hereby certify that the foregoing is true and correct.
Signed \_\_\_\_\_\_ Title Plant Manager \_\_\_\_\_ Date August XX, 2012 \_\_\_\_\_\_
(This space for Federal or State office use)
Approved by \_\_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.