

July 28, 2014

Ohio EPA, DERR—ER Lazarus Government Center 50 West Town Street, Suite 700 P.O. Box 1049 Columbus, Ohio 43216-1049 ATTN: ER Records Mgmt

To Whom It May Concern:

This letter and report are hereby submitted, in accordance with ORC 3750.06 and OAC 3750-25-25(A)(2).

An incident occurred on our Eisenbarth Pad on June 28, 2014, for which Statoil provided verbal notice pursuant to OAC 3750-25-25(A)(1). Attached you will find the written report with the details of the incident.

If you have any questions, please do not hesitate to contact me at 713-817-5375.

Thank you,

Kristen Bellows, CSP Environmental Lead- Marcellus

Cc: Mike Sherron Emergency Response Unit 2195 East Front Street Logan, Ohio 43138

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30-Day Written Incident Report

Owner: Statoil USA Onshore Properties, Inc. 2103 CityWest Blvd., Building 4 Houston, Texas 77042 713-918-8200

The incident began at 08:12 ET, on June 28, 2014, and was discovered immediately. The fire was extinguished approximately 24 hours later. Discharges from the pad were contained by the evening of July 2, 2014.

The overall objectives for the incident response include the following:

- Provide for the safety, security, and welfare of citizens and response personnel
- Suppress all fires Firefighters used water and foam with professional fire-extinguishing techniques
- Ensure the integrity of well heads and equipment onsite, as well as isolate downhole pressure from wells
- Effectively contain, clean up, recover, and dispose of spilled material
- Implement Air, Water, Soil, and Sediment sampling and monitoring plans
- Manage a coordinated Response effort that reflects the make-up of a Unified Command
- Keep the public, stakeholders, and the media informed of response operation / activities.

Statoil mobilized an internal Incident Management Team immediately upon notification of the fire. Statoil then mobilized local fire-fighting teams, Wild Well Control, Center for Toxicology and Environmental Health L.L.C. (CTEH®) to conduct air monitoring and environmental sampling in response to the incident. During this time, all agency notifications were made. Members of the CTEH® Toxicology Emergency Response Program (TERP®) arrived on site on June 28, 2014 and began manually-logged real-time air monitoring. Air monitoring activities focused on the perimeter of the well pad and in the nearby community. 24 hour analytical and stationary monitors were deployed shortly thereafter.

On the morning of June 29, 2014, equipment was mobilized and a berm was created to divert the firewater towards a holding pond southwest of the pad. At approximately 0400 on June 29, 2014, the EPA informed CTEH® of a possible fish kill in a creek downstream of the pad outfalls. CTEH surveyed Opossum Creek at the location indicated by the EPA and at 0427 on June 29th, 2014 and did not observe dead fish at that time. Dead fish were later observed at 1030 on June 29th, 2014. Wild Well Control arrived on site to inspect the well heads and ensure the well was shut in. The fire was extinguished at 1500 June 29th per Clarington Fire Department. To ensure water did not leave the site, utilization of containment dams were installed to capture and collect water.

The following numbers were used to report the spill:

- Ohio EPA Spill Number-1406-56-1318, Notified at 14:11
- NRC –Petty Officer Dedeaux, Incident Case #1087428, Notified at 14:00

The discharge occurred at the following address:

42240 Long Ridge Road Clarington, OH 43931

The release occurred at the following location:

Long Ridge Road, Monroe County, Ohio Township, City of Clarington

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Longitude and latitude, if known, or distance and direction from the nearest intersection or milepost if transportation related release or discharge.

39.69763° N / 80.89901° W

To the best of Statoil's knowledge, based on information obtained from Halliburton Energy Services, Inc., below is a list of chemicals and/or products on site at the time of the incident with the appropriate CAS number and an estimate of pre-incident and post-incident volumes of such chemicals and/or products.

			Pre	Post	
			Incident	Incident	
			Estimated	Estimated	
Chemical	CAS No.	Chemical Constituents on MSDS	Volume	Volume	Units
HCI (28%) Residual	7647-01-0	hydrochloric acid	250	0	gal
Surfactant (GasPerm 1000)	94266-47-4, 68647-72-3, 67-63-0, 2 proprietary	Citrus extract, Terpenes and Terpenoids, sweet orange-oil, Isopropanol, Polyoxyalkylenes	7040	0	gal
Solvent (LCA-1)	Not available	Paraffinic solvent	330	0	gal
Gel (LGC-36 UC)	64742-47-8, 9000-30-0	Hydrotreated light petroleum distillate, Guar gum	1980	0	gal
Crosslinker (BC-140)	26038-87-9, 107-21-1	Monoethanolamine borate, ethylene glycol	1770	660	gal
Biocide (BE-9)	81741-28-8	Tributyl tetradecyl phosphonium chloride (TTPC)	3360	0	gal
Gelling Agent (WG-36)	Mixture	Polysaccharides	38000	6000	lbs
Friction Reducer (FR- 66)	64742-47-8	Hydrotreated light petroleum distillate	4700	3650	gal
Sand (SSA-2)	14808-60-7	Crystalline silica, quartz	5000	5000	sks
Diesel (In Pumps)	68476-34-6	diesel fuel #2	8500	0	gal
Pilot Tanker #1	68476-34-6	diesel fuel #2	700	0	gal
Pilot Tanker #2	68476-34-6	diesel fuel #2	1100	1100	gal
Oxygen	7782-44-7	oxygen	4	3	tanks
Acetylene	74-86-2	acetylene	3	2	tanks
Propane	74-98-6	propane	6	6	20 lb tanks
Rock Drill (Chevron- Vistac)	Mixture	Highly refined mineral oil (C15 - C50)	85	55	gal
Diesel Exhaust Fluid (DEF)	57-13-6	urea	55	55	gal
Hydraulic Fluid (Chevron)	Mixture	Highly refined mineral oil (C15 - C50)	85	55	gal

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Motor Oil	Mixture, 68649-42-3	Highly refined mineral oil (C15 - C50), Zinc alkyl dithiophosphate	370	80	gal
Aerosol Cans (assorted)			100	100	ea
SP Breaker	7775-27-1	Sodium persulfate	1150	1150	lbs
N2 Bottles			4	4	bottle s
Grease			30	30	gal
Soda Ash (K- 35)	497-19-8	soda ash	200	200	lbs
Antifreeze (Chevron)	107-21-1, 19766-89-3	Ethylene Glycol, Sodium 2- ethylhexanoate	10	10	gal
Used Oil		-	15	15	gal
Densometers			3	3	ea
ATF HD 389	Mixture	Highly refined mineral oil (C15 - C50)	55	55	gal

There was a release or discharge to the air, ground, and surface water. Water used to douse the fire, as well as flow back fluid that had been pumped down the well by Halliburton, flowed off of the site and down the adjacent slopes to the west and south. Water bodies that may be affected include an unnamed tributary of Opossum Creek and Opossum Creek. A fish kill was reported along approximately five miles of Opossum Creek.

The analytical reports show that levels returned to background screening levels within 48 hours of the incident. All analytical reports show no values above screening in the Ohio River. Drinking water intakes in the Ohio River are confirmed "no impact", per ORSANCO (water sanitation commission).

Soils samples, both surface and subsurface, and sediment samples were taken along the perimeter of the pad, on the hillsides south and west of the pad and along the migration pathway to the unnamed tributary of Opposum Creek. throughout the site. Air samples were taken around pad perimeter, and downwind into the community. The wind was blowing south-southeast at 5 mph.

Soil samples have been taken and were analyzed. Soil sampling is complete. No levels above screening values were detected.

See attached Air Sampling Plan, Environmental Sampling and Sampling Adjustment Plan, as signed by Ohio EPA. The Sampling Adjustment Plan became effective on 7/17/2014.

Runoff from the site has been collected and currently totals 1804 barrels.

A summary of chronological events is below. This information was taken from the ICS 201 log.

06/28/2014 08:08 Mr. Brent Hughes received initial incident report 06/28/2014 08:40 Local Fire Fighters on Scene 06/28/2014 09:04 IMT was notified. Decision made to activate full IMT 06/28/2014 09:23 Mr. Brent Hughes activated Wild Well Control 06/28/2014 10:04

06/28/2014 12:30 Wild Well Control conducts fly over of scene. Reported site still engulfed in fire. Wild Well team personnel on standby in Parkersberg, Ohio. Wild Well Representative at Stat Oil Command Post

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in Houston

06/28/2014 12:50 Hannibal office was identified as primary staging area

06/28/2014 13:15 OSRO AOS & Central Environmental Services placed on standby at Sardis, Ohio

06/28/2014 13:30 Moundsville SARDIS, New Martintinsville & Woodfiled were on scene. Moundsville fire department began foaming with AAF. Diking was begun

06/28/2014 13:45 Wild Well Control mobilized to site to provide local assessment

06/28/2014 14:00 Command and General Staff Meeting

06/28/2014 14:00 The NRC, was notified on 06/28/2014 by Don Evans. Incident case # 1087428 was assigned

06/28/2014 14:00 The Monroe County, was notified on 06/28/2014 by Foster Wade

06/28/2014 14:11 The Ohio Environmental Protection Agency, was notified on 06/28/2014 by Don Evans

06/28/2014 14:20 Mendoza of the US EPA contacted Don Evans asking the details of the incident

06/28/2014 14:23 The Ohio Department of Natural Resources, was notified on 06/28/2014 by Don Evans

06/28/2014 14:26 The Ohio Emergency Management Agency, was notified on 06/28/2014 by Don Evans

06/28/2014 14:30 Ohio DNR on scene

06/28/2014 14:35 Moundsville stopped all foaming operations due to safety concerns

06/28/2014 15:01 CTEH activated for air monitoring.

06/28/2014 15:15 Local DSCSC to begin mobilizing OSRO and develope tactical plan

06/28/2014 16:00 Situation Report Meeting with Deputy Ops Section Chief - still seeing fire on site, no noticeable run- off from oil pad at this time. Pulling resources away from oil pad for safety reasons. Discussed future plans for fire control. HAZMAT team on standby.

06/28/2014 16:30 John Baird on scene and took control as Deputy Ops Section Chief and set next meeting for 18:30. Confirmed that fire is still burning around pad, well flowing all zones (water only product flowing from well).

06/28/2014 16:40 Tactics Meeting

06/28/2014 17:30 Site Rep with Deputy Ops Section Chief, indicating that 98% of composite mats on-site still on fire. Objectives are to put the fire out and stop the flow. Establishing tactics to accomplish objectives.

06/28/2014 18:30 OSRO (Oil Spill Response Organization) mobilizing.

06/28/2014 23:30 The well was successfully shut-in

06/29/2014 03:59 Objective 1 - 0200: Protection of People, Workers, Responders, Community

06/29/2014 04:01 Objective 2 - 0200: Environmental Protection and Monitoring

• CTEH to continue air monitoring and to initiate water monitoring. Will also submit written environmental monitoring plan.

06/29/2014 04:02 Objective 3 - 0200: Verify Integrity of Well(s) -

• On-site team to call Houston Command Center upon arrival at site in the morning and discuss plans for determining well integrity - written plan to be submitted before operations.

Plan to be put together by Brent Hughes.

06/29/2014 04:02 Objective 4 - 0200: Planning for Site Remediation - will be prepared by on-site team after arrival.

06/29/2014 06:10 Brent Hughes en route to site to meet up with Robert Baut and begin the well integrity Assessment plan.

06/29/2014 09:02 Objective 5: Build a berm to prevent water runoff

• Berm to be completed before weather system moves through which is predicted today around noon.

06/29/2014 12:13 Local Fire Dept. were sent back to pad to verify percentage of extinguished fires.

06/29/2014 14:10 Jeff Bauml (Safety) confirmed fires were 95% extinguished.

06/29/2014 14:11 OSC officially requested transfer of command from Houston to Ohio UC. Transfer of command approved by all parties.

06/29/2014 15:00 UC Ohio received report from Fire Department that all fires are 100% out

06/29/2014 11:15 UC Ohio Strike team visits site for assessment

06/29/2014 11:30 UC Ohio received a report of no radiation readings from Densometers

06/29/2014 11:45 EPA request rush on water samples

06/29/2014 12:35 Ohio Department of Wildlife reports to UC Ohio that "1000's" of fish have been observed dead up to 4-5 miles downstream of creek leading to Ohio River

06/29/2014 14:15 Inform all briefing with UC Houston, UC strike team Ohio, US EPA & Ohio EPA. Change of command to UC Ohio was approved

06/29/2014 15:45 UC Ohio received proposal from Halliburton on screening and removal of Densometers.

1545 Fire Incident is closed and sampling begins for environmental monitoring. All discharges from pad were contained by 11 pm Wednesday evening.

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Attached are the Material Safety Data Sheets supplied by Halliburton, which include some information on laboratory analysis.

As the lead contractor on-site, Halliburton controlled both the use of chemicals and the processes in which the chemicals were used.

No anticipated acute or chronic health risks to people are associated with this discharge.

No individuals were injured or exposed to substances during the fire.

Statoil is conducting an investigation of the incident and will, as appropriate, make changes to our programs and processes based upon learnings from the incident. n..

Eisenbarth Air Permit Information:

Facility ID: 0656035002, General Permit- 12

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