From: Royal Pond

To: BJ Kristiansen (bj.kristiansen@wyo.gov); Joe Hunter (joe.hunter@wyo.gov); Saxton, John

Cc: Mike Griffin

Subject: [External_Sender] Strata Energy, Inc. OZ-191 Spill

Date: Friday, May 26, 2017 1:42:25 PM

Gentlemen,

On 5/25/2017 at 16:23 a spill was identified at Strata Energy in Mine Unit-2, from Injection well OZ-191. The well had started to be prepared to be swabbed at approximately 14:00, when the operator was assigned a higher priority task. When the operator returned to well OZ-191 at approximately 15:00, it was decided to wait until 5/26/2017, to swab the well. The well was restarted, but the operator failed to properly secure the bleed valve and the well box. The spill ran along the well field perimeter berm and collected near another injection well box. At 16:23 two other operators discovered the spill, secured the well and then made initial notifications to their supervisor. The calculated volume from the Data Historian in the Central Process Plant, was 800 gallons of Injection fluid.

As the volume of this release is greater than 420 gallons, this is a reportable event under Strata's Permit to Mine #802 and WDEQ-WQD Chapter IV. A sample was collected and will be sent to an outside laboratory for analysis of U-nat and Ra-226. Well OZ-191 is an injection well, and the most recent analysis of injection fluid, obtained on 4/12/2017, resulted in a concentration of 117 pCi/L for Ra-226. No water entered any waters of the state.

As required in the Permit to Mine and Chapter IV, Strata will prepare a written report within 7 days describing the release and actions taken to prevent a reoccurrence. If you have any questions regarding the provided information, please contact me at 307-467-5995 or by email at rpond@stratawyo.com.

Sincerely, Royal Pond

Manager HSE/RSO 307-467-9375

rpond@stratawyo.com

