From: Royal Pond

To: BJ Kristiansen; Lowman, Donald
Cc: Mike Griffin; Ralph Knode

Subject: [External_Sender] Strata Energy, Inc. Spill 8/27/2017

Date: Friday, July 28, 2017 11:29:19 AM

BJ. and Don,

On 7/27/2017 at 15:50 a spill was identified at Strata Energy in Mine Unit-2, from Header House 8. Two operators discovered the spill, secured the Header House and then made initial notifications to their supervisor. Just prior to this spill, (~13:30 to 14:30) a severe weather cell had passed through the Ross mine site area. A power bump had caused a shutdown of the CPP and of the well field. The facility and Header Houses were restarted and brought back online. The injection manifold bleed valves in the Header House 8 had not been properly secured, after the initial shutdown, causing the spill. The spill ran along the well field access road and into the wellfield, it collected at the wellfield berms and road edges. The calculated volume from the Data Historian in the Central Process Plant, was in 10008 gallons of Injection fluid. The affected area was 20,845 sq.ft.

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. Samples were collected and sent to the onsite laboratory for analysis of U-nat and conductivity values. The most recent analysis of injection fluid, obtained on 6/6/2017, resulted in a concentration of 182 pCi/L for Ra-226. No water entered any waters of the state. Water did collect adjacent to a county road.

At this time Strata is reviewing the cause(s) and contributing factor for this spill, to determine corrective action to prevent a recurrence. The Header House sump leak detect was functional but because the volume of alarms that were involved during the shutdown and restart, the sump alarm was not caught until the operators arrived at the Header House. Evaluation of the alarm priority set up will be conducted by Operations management.

Initial review of the Standard Operating Procedure (SOP) identified that additional instructional steps are needed and a revision to the SOP has been initiated.

If you have any questions regarding the provided information, please contact me at 307-467-5995 or by email at rpond@stratawyo.com.

Royal Pond

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