

Kubeczko, Dave

From: Kubeczko, Dave
Sent: Friday, May 07, 2010 9:41 AM
To: Kubeczko, Dave
Subject: FW: Red Mesa Holdings O&G, Harris 5S, SWSW Sec 22 T33N R12W, La Plata County, Form 2A (#400048469) Review

Scan No 2033102 CORRESPONDENCE 2A#400048469

From: Rich Larson [mailto:rlarson@redmesa1.com]
Sent: Friday, May 07, 2010 9:14 AM
To: Kubeczko, Dave
Subject: RE: Red Mesa Holdings O&G, Harris 5S, SWSW Sec 22 T33N R12W, La Plata County, Form 2A (#400048469) Review

Dave, I reviewed your comments below and agree with the COA's on the Harris #5S Form 2A.

Rich Larson
Madison Capital Management, LLC
Red Mesa Holdings / O&G, LLC
Vice President, Energy Asset Management -Geologist
Direct 970-588-3302 | Cell: 970-769-4841
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From: Kubeczko, Dave [mailto:Dave.Kubeczko@state.co.us]
Sent: Friday, April 30, 2010 2:37 PM
To: Rich Larson
Subject: Red Mesa Holdings O&G, Harris 5S, SWSW Sec 22 T33N R12W, La Plata County, Form 2A (#400048469) Review

Rich,

I have been reviewing the Harris 5S **Form 2A** (#400048469). COGCC requests the following clarifications regarding the data Red Mesa Holdings O&G has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA).

1. **Construction (Section 6):** Mud Disposal: Although Red Mesa has indicated that air drilling will be used, some mud may be generated, even during air drilling, when encountering groundwater and formation water; therefore, any mud generated during drilling would need to be disposed of either onsite or offsite, and a method needs to be selected on the Form 2A. Based on our conversation (April 29, 2010), I will marked offsite for mud disposal and disposal facility for the method.
2. **Water Resources (Section 14):** Form 2A indicates the distance to the nearest surface water is 100 feet. COGCC guidelines require designating all locations within close proximity to surface water (i.e., less than 500 feet) a **sensitive area**. The following conditions of approval (COAs) will apply:
 - COA 4** - Location is in a sensitive area because of proximity to surface water; therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations.
 - COA 5** - Operator must implement best management practices to contain any unintentional release of fluids.
3. **Water Resources (Section 14):** Form 2A indicates the depth to groundwater to be 20 feet bgs for a well located 700 feet from the proposed well. COGCC guidelines require designating all locations with shallow groundwater (i.e., less than 20 feet bgs) a **sensitive area**. The following conditions of approval (COAs) will apply:

COA 7 - Location may be in a sensitive area because of shallow groundwater; therefore either a lined drilling pit or closed loop system must be implemented.

COA 9 - All pits must be lined.

COGCC would appreciate your concurrence with attaching these COAs to the Form 2A permit prior to passing the OGLA review. If you have any questions, please do not hesitate to call me at (970) 625-2497 x5 (office) or (970) 309-2514 (cell), or email. Thanks.

Dave

David A. Kubeczko, PG
Oil and Gas Location Assessment Specialist

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