

Kubeczko, Dave

From: Kubeczko, Dave
Sent: Tuesday, April 19, 2011 9:56 AM
To: Kubeczko, Dave
Subject: FW: Bill Barrett Corp, Kaufman Pad #3 11A-30-691, Lot 2 Sec 30 T6S R91W, Garfield County, Form 2A (#400148727) Review

Categories: Orange Category

Scan No 2033707 CORRESPONDENCE 2A#400148727

From: Doug Dennison [mailto:ddennison@billbarrettcorp.com]
Sent: Tuesday, April 19, 2011 9:54 AM
To: Kubeczko, Dave; Tracey Fallang
Subject: RE: Bill Barrett Corp, Kaufman Pad #3 11A-30-691, Lot 2 Sec 30 T6S R91W, Garfield County, Form 2A (#400148727) Review

Dave,

BBC has reviewed the proposed COAs for the Kaufman #3 pad and, with the exception of COA 40, find them to be acceptable. As we discussed via email yesterday, COA is not applicable to this location because BBC drills the surface section of each well using air. Please let me or Tracey know if you have any questions. Thanks.

Doug Dennison
Environmental-Governmental Affairs Liaison
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From: Kubeczko, Dave [mailto:Dave.Kubeczko@state.co.us]
Sent: Monday, April 18, 2011 9:05 AM
To: Tracey Fallang
Cc: Doug Dennison
Subject: Bill Barrett Corp, Kaufman Pad #3 11A-30-691, Lot 2 Sec 30 T6S R91W, Garfield County, Form 2A (#400148727) Review

Tracey,

I have been reviewing the Kaufman Pad #3 11A-30-691 Pad **Form 2A** (#400148727). Based on the proximity of the Kaufman #3 Pad to the Kaufman #4 Pad (and the plan to share production facilities), as well as its proximity to Gibson Gulch and subsequent placement within the 317B Surface Water Supply Area's intermediate Buffer Zone (with the northeast portion of the pad located approximately 50 feet from the Internal Buffer Zone), the COGCC would like to attach the following conditions of approval (COAs) to the Form 2A, which are the same COAs that had been placed on the Kaufman #4 Pad, prior to passing the Oil and Gas Location Assessment (OGLA) review.

1. **Water Resources (Section 14):** Form 2A indicates the distance to the nearest surface water is 375 feet, making this a **sensitive area** (which operator has indicated on the Form 2A). The following conditions of approval (COAs) will apply:
 - COA 4** - Location is in a sensitive area because of its 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; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.
 - COA 5** - Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines.
2. **Water Resources (Section 14):** Form 2A indicates the depth to groundwater to be 15 feet bgs for a well located 572 feet from the proposed well pad, making this a **sensitive area** (which operator has indicated on the Form 2A). The following conditions of approval (COAs) will apply:
 - COA 7** - Location is in a sensitive area because of the potential for shallow groundwater; therefore either a lined drilling pit or closed loop system (which operator has already indicated on the Form 2A) must be implemented.
 - COA 8** - Location is in a sensitive area because of the potential for shallow groundwater; therefore completion/production pits must be lined.
3. **General and 317B:** The following conditions of approval (COAs) will also apply:
 - Construction:**
 - COA 91** - Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of construction.
 - COA 92** - Operator will collect baseline and follow-up surface water samples as follows: Prior to drilling and when sufficient water is present in the stream, operator will collect baseline surface water data from immediately down gradient of the oil and gas location. Sampling will occur quarterly at low elevations and biannually at higher elevations. Follow-up surface water data will be collected by sampling the same location beginning in the 2011 calendar year, and to continue for 5 years. COGCC recommends that the water samples be analyzed for the following parameters: pH; alkalinity; specific conductance; major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); BTEX/DRO; TPH; PAH's (including benzo[a]pyrene); and metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium).
 - COA 39** - No portion of any pit that will be used to hold liquids shall be constructed within the 317B Internal (0 to 300 feet) or Intermediate (301 to 500 feet) Buffer Zones. No portion of any pit constructed to hold liquids within the External (501 to 2620 feet), shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the Director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.
 - COA 39a** - No portion of any cuttings trench shall be constructed on fill material, nor within the 317B Internal Buffer Zone
 - COA 44** - The access road will be constructed to prevent sediment migration from the access road to nearby surface water or any drainages leading to other nearby surface waters. Strategically apply fugitive dust control measures, including enforcing established speed limits, to reduce fugitive dust and coating of vegetation and deposition in water sources.
 - COA 45** - Well pad and access road to the well pad will be gravel surfaced. Operator must install adequately sized culverts that cross any drainages leading to the stream. Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the pad/access road in the vicinity of all stream, intermittent stream, ditch, and drainage crossings.
 - COA 46** - The location is in an area of high run-off/run-on potential from the proposed pad area to the west-southwest; therefore the pad shall be constructed as quickly as possible and appropriate BMPs need to be in place both during and after well pad construction, as well as during all drilling and well completion

operations. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater run-off. Slopes with potential for runoff should be stabilized immediately following pad construction. Operator shall construct a diversion ditch at the base of the fill slopes on the west, south, and east sides of the well pad, with this diversion ditch being sloped so that all water enters one or more detention basins.

COA 61 - Because of proximity of the well pad to both nearby surface water and steep slopes to the west-southwest, operator will grade the well pad surface to slope away from the stream towards a central collection point on the well pad.

Drilling:

COA 38 - The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must meet the applicable standards of Table 910-1.

COA 40 - The nearby downgradient hillside to east-southeast towards Gibson Gulch must be monitored for any day-lighting of drilling fluids throughout the drilling of the surface casing interval.

COA 62 - A spill response trailer will be on location 24 hours a day, 7 days a week during construction, drilling, and completion operations to facilitate a timely response to any spills that may occur.

COA 63 - Appropriate heavy equipment (e.g., a backhoe) will be staged at the location during all drilling and completion operations so that any emergency diversions or pits to contain spills can be built immediately upon discovery.

COA 72 - An emergency spill response program that includes employee training, safety and maintenance provisions and current contact information for downstream Public Water System(s) located within fifteen (15) stream miles of the DCPS Operation, as well as the ability to notify any such downstream Public Water System(s) with an intake(s) within fifteen (15) stream miles downstream of the DCPS operations will be implemented during construction, drilling, and completion activities.

COA 73a - In the event of a spill or release, the operator shall immediately implement the emergency response procedures in the above described emergency response program.

COA 73b - All personnel working at the location during all drilling and completion operations will receive training on spill response and reporting. Documentation of this training will be maintained in BBC's Silt office.

COA 73c - At a minimum, weekly spill prevention meetings will be held identifying staff responsibilities in order to provide a quick and effective response to a spill. Appropriate documentation will be maintained in BBC's Silt office.

COA 73d - Operator will conduct daily inspections of equipment for leaks and equipment problems with appropriate documentation retained in BBC's Silt office. All equipment deficiencies shall be corrected. Daily monitoring should end approximately 30 days after well completion and/or after production has been stabilized; however, timely inspections should continue during the production phase.

COA 75 - Operator will use adequately sized containment devices for all chemicals and/or hazardous materials stored or used on location.

COA 76 - Operator will provide an increased testing frequency (at least every thirty (14) days) of blowout prevention equipment (BOPE) during drilling operations.

Completion:

COA 9 - Operator will implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.

COA 47 - The completion/flowback fluids pit must be double-lined. The pit will also require a leak detection system (Rule 904.e).

COA 48 - The completion/flowback fluids pit must be fenced. If the completion/flowback pit is not closed (either drained and/or backfilled) immediately after well completion, then operator must appropriately net the completion/flowback pit, in a timely manner, and maintain the fencing and netting until the pit is closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.

COA 25 - Flowback and stimulation fluids must be sent to tanks to allow the sand to settle out before the fluids can be placed into any pipeline or pit located on the well pad. The flowback and stimulation fluid tanks must be placed on the well pad in an area with additional downgradient perimeter berming. The area where

flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material (per Rule 604.a.(4)).

COA 25a - Operator will submit a secondary and tertiary containment plan to be implemented during fracing operations via sundry notice Form 4 to the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) for review and approval.

COA 26 - Notify COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of fracing operations.

Production:

COA 86a - Interim reclamation shall begin during the first appropriate planting season following completion/testing of the last well; unless a determination is made that subsequent wells will be permitted and drilled. Reclamation practices will be subject to approval by the surface owner.

COA 86b - Final reclamation shall begin during the first appropriate planting season following plugging, using practices approved by surface owner.

COGCC would appreciate your concurrence with attaching these COAs (items 1, 2 and 3) to the Form 2A permit prior to passing the OGLA review. These are the same COAs that have been placed on the Form 2A permit for:

Bill Barrett Corp, Kaufman (Pad #4) 43D-25-692, NWNW Sec 30 T6S R91W, Garfield County, Form 2A#2589108

If you have any questions, please do not hesitate to call me at (970) 309-2514 (cell), or email. Thanks.

Dave

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

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