

Kubeczko, Dave

From: Kubeczko, Dave
Sent: Wednesday, March 14, 2012 1:19 PM
To: Kubeczko, Dave
Subject: FW: SG Interests I, Hughes 11-90-26 #1 Pad, NESW Sec 26 T11S R90W, Gunnison County, Form 2A (#2286537) Review

Categories: Orange - Operator Correspondence

Scan No 2034175 CORRESPONDENCE 2A#2286537

The reworded COA will be placed on the BMP tab. COGCC's COA has been revised as follows:

COA 25 - Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming (an increase in the height of the pad perimeter berm can address this requirement). The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

From: Catherine Dickert [mailto:cdickert@sginterests.com]
Sent: Monday, February 27, 2012 9:29 AM
To: Kubeczko, Dave
Subject: FW: SG Interests I, Hughes 11-90-26 #1 Pad, NESW Sec 26 T11S R90W, Gunnison County, Form 2A (#2286537) Review

Dave,

Here is a copy of the email I sent last week. Please let me know if you have any questions. See you on Friday. Thank you.

Catherine

From: Catherine Dickert
Sent: Monday, February 20, 2012 1:53 PM
To: 'Kubeczko, Dave'
Cc: Dennis Beasley; Eric Sanford
Subject: RE: SG Interests I, Hughes 11-90-26 #1 Pad, NESW Sec 26 T11S R90W, Gunnison County, Form 2A (#2286537) Review

Dave,

We have been discussing COA 25 below. This COA has been included in your list of COAs for the Federal 11-90-24 #3, the Borich 11-89-32 #1, the Eck 12-90-1 #1, and the Hughes 11-90-26 #2. We are constrained by the amount of space available on the well pad for additional berming. Would you consider a revised COA such as this?

Proposed changes to text of COA 25 - Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The entire level pad will be surrounded by a berm to contain any potential release on

the well pad. The berm is approximately 2 ½ feet in height around the pad except at the entrance where it is approximately 1 1/2 feet in height to allow vehicles to drive over it. Tanks will be set on compacted earth in an area of the pad that has been constructed on cut soils.

We believe our perimeter berm is sufficient to contain any release that might occur on the pad. Our completion operations are manned continuously and any release would be immediately detected, stopped, and cleaned up. Please let me know if this revised COA is acceptable or if you have any questions. We have no concerns with the other COAs included in these lists. Thank you for your consideration of this matter.

Catherine

Catherine Dickert
Environmental and Permitting Manager
SG Interests, I Ltd

From: Kubecko, Dave [<mailto:Dave.Kubecko@state.co.us>]
Sent: Tuesday, December 27, 2011 4:18 PM
To: Catherine Dickert
Subject: SG Interests I, Hughes 11-90-26 #1 Pad, NESW Sec 26 T11S R90W, Gunnison County, Form 2A (#2286537) Review

Catherine,

I have been reviewing the Hughes 11-90-26 #1 Pad **Form 2A** (#2286537). COGCC would like to attach the following conditions of approval (COAs) based on the data SG Interests I has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

1. **General:** The following conditions of approval (COAs) will apply:

COA 4 - Location is in a sensitive area because of proximity to wetlands and 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 temporary surface pipelines or buried pipelines.

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

COA 8 - Location is in a sensitive area because of shallow groundwater; therefore any pits constructed to hold fluids (i.e., production pit, frac pit, reserve pit) must be lined.

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.

COA 39 - No portion of any pit that will be used to hold liquids 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 49 - The drilling (reserve) pit must be fenced and netted. The operator must 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 46 - The surface soils and materials are fine-grained and highly unconsolidated; therefore appropriate BMPs need to be in place 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 runoff.

COA 26 - 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 fracing operations.

COA 25 - Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment 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.

COA 58 - Berms or other containment devices shall be constructed to be sufficiently impervious to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.

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) 309-2514 (cell), or email. Thanks.

Dave

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

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