

## Kubeczko, Dave

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**From:** Kubeczko, Dave  
**Sent:** Wednesday, March 14, 2012 1:54 PM  
**To:** Kubeczko, Dave  
**Subject:** FW: SG Interests I, ECK 12-90-1 #1 Pad, Lot 1 Sec 1 T12S R90W, Gunnison County, Form 2A#2286782; COGCC's Response to LGD Comments  
**Attachments:** Scan No. 2034171\_SG Interests I LTD, ECK 12-90-1 #1, Lot 1 Sec 1 T12S R90W\_COGCC Response to Gunnison County Comments\_2A#2286782\_03132012.pdf  
**Categories:** Black Category

Scan No 2034171

COGCC RESPONSE TO LGD COMMENTS

2A#2286782

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**From:** Kubeczko, Dave  
**Sent:** Wednesday, March 14, 2012 1:51 PM  
**To:** 'David Baumgarten'  
**Cc:** Neal Starkebaum; Brenda Wiseman  
**Subject:** SG Interests I, ECK 12-90-1 #1 Pad, Lot 1 Sec 1 T12S R90W, Gunnison County, Form 2A#2286782; COGCC's Response to LGD Comments

David,

COGCC appreciates Gunnison County's participation in the LGD comment portion of the Form 2A permitting process. Attached is COGCC's Responses to Gunnison County's Comments submitted on January 27, 2012 and February 13, 2012 for SG Interests', ECK 12-90-1 #1 Pad, 2A#2286782. These responses will become an attachment to the Form 2A. 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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**Gunnison County LDG Comments**  
**Regulatory Form 2286782**  
**SG Interests I Ltd; ECK 12-90-1 #1; Gunnison County**

**Comments submitted on January 27, 2012:**

**Comment No. 1 - REQUEST FOR EXTENSION OF COMMENT PERIOD**

First, may I request a brief extension of the LGD comment period. The LGD has been informed by Dave Kubeczko that an onsite is scheduled for February 10, 2012 - 8 days after LGD comments are due. It is the intent of Gunnison County to participate in the onsite and therefore, Gunnison County requests an opportunity to make comments after the onsite has been concluded.

**COGCC Response to Comment No. 1 - REQUEST FOR EXTENSION OF COMMENT PERIOD.**

Per Rule **305. NOTICE, COMMENT, APPROVAL. c. Comment period.**

The Director shall not approve the Form 2A, or any associated Form 2, for twenty (20) days from posting pursuant to Rule 305.b, and shall accept and post on the Commission's website immediately upon their receipt any comments received from the public, the local governmental designee, the Colorado Department of Public Health and Environment, or the Colorado Division of Wildlife regarding the proposed oil and gas location. **The Director shall extend the comment period to thirty (30) days upon the written request during the twenty (20) day comment period by the local governmental designee, the Colorado Department of Public Health and Environment, the Colorado Division of Wildlife, the surface owner, or an owner of surface property who receives notice under Rule 305.e.** The Director shall post the extension on the COGCC website within twenty-four (24) hours of receipt of the extension request.

COGCC extended the public and LGD comment period from February 2, 2012 to February 12, 2012.

**Comment No. 2 - REQUEST FOR CONSULTATION WITH COLORADO DIVISION OF WILDLIFE (CDOW).**

Second, may I request a Colorado Division of Wildlife (CDOW) consultation because the Form 2A at paragraph 1 indicates the location is in a sensitive wildlife habitat area. Gunnison County acknowledges the applicant's proposed Best Management Practices including those that deal with wildlife habitat, but requests an opportunity to review these with the CDOW.

**COGCC Response to Comment No. 1 - REQUEST FOR CONSULTATION WITH COLORADO DIVISION OF WILDLIFE (CDOW).**

Per Rule 306. **CONSULTATION. b. Consultation with local government.**

**(1) Local governments that have appointed a local governmental designee and have indicated to the Director a desire for consultation shall be given an opportunity to engage in such consultation concerning an application for Permit-to-Drill, Form 2, or an Oil and Gas Location Assessment, Form 2A, for the location of roads, production facilities and well sites prior to the commencing of operations with heavy equipment.**

(2) Within fourteen (14) days of its notification pursuant to Rule 305, the local governmental designee may notify the Commission and the Colorado Department of Public Health and Environment by electronic mail of its desire to have the Colorado Department of Public Health and Environment consult on a proposed oil and gas location, based on concerns regarding public health, safety, welfare, or impacts to the environment.

Gunnison County does not have the ability to request a wildlife consultation with the Colorado Parks and Wildlife (CPW) through the COGCC. However, the CPW did request a wildlife consultation with the operator for this proposed location, as well as three other proposed locations, that was conducted on February 10, 2012 and attended by SG Interests, CPW, and Gunnison County. COGCC visited these sites

separately on March 5, 2012. Please refer to CPW's comment (dated March 11, 2012) on the Form 2A below, and the subsequent email from SG Interests:

*CPW and the operator have discussed options for avoiding and minimizing impacts to wildlife. The operator has submitted Best Management Practices (BMPs) and other measures that result in the avoidance or minimization of impacts to wildlife resources at the well location; however, the BMPs submitted by the operator do not address the cumulative impacts of increasing well pad density and ancillary facilities (roads, pipelines, compressors, etc.) on the effectiveness wildlife habitats in the area. There is a growing body of evidence that residual unavoidable adverse impacts to wildlife increase dramatically when well pad densities exceed one pad per square mile and road densities exceed 0.5 mile per square mile. These residual adverse impacts to wildlife occur from reduced habitat effectiveness regardless of the use of Timing Limitation Stipulations on drilling activities or other site specific BMPs implemented by the operator to reduce impacts.*

*The well pad density within SG's Bull Mountain Unit and the surrounding area is increasing and rapidly approaching a density where BMPs alone will no longer be sufficient to maintain existing wildlife populations in the area. CPW recommends that the operator consider a wildlife mitigation plan for the entire Bull Mountain Unit to address the cumulative impacts to wildlife from the ongoing development of new wells, road, pipelines, compressors, and other ancillary facilities proposed for the Bull Mountain Unit. At the onsite for this well, CPW and the operator discussed the disturbance acreage of the access road and pipes which are not included or addressed on the Form2A. The disturbance from these facilities nearly quadruple the amount of disturbance and habitat loss from this proposed well. These impacts can only be addressed as part of a comprehensive Wildlife Mitigation Plan.*

*The operator is the surface owner who has previously agreed to utilize the suggested seed mix, however, CPW has not heard back from the operator with an affirmative commitment that the seed mix will be used at this location.*

The following email addresses CPW's and Gunnison County's wildlife issues/concerns with this proposed location:

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**From:** Catherine Dickert [<mailto:cdickert@sginterests.com>]  
**Sent:** Tuesday, March 13, 2012 1:53 PM  
**To:** Kubeczko, Dave  
**Cc:** Eric Sanford  
**Subject:** Eck 12-90-1 #1

Dave,

SG Interests agrees to use the CPW-recommended wildlife friendly seed mix for reclamation activities on the Eck 12-90-1 #1 well project.

SG Interests is currently discussing a possible Wildlife Mitigation Plan with CPW. Our next meeting with CPW on this topic is scheduled for March 15, 2012.

Please contact me with any questions. Thank you.

Catherine Dickert  
Environmental and Permitting Manager  
SG Interests, I Ltd.  
1065 Main Avenue, Suite 209  
Durango, CO 81301  
Phone: 970-209-6464  
Fax: 970-252-0636  
[cdickert@sginterests.com](mailto:cdickert@sginterests.com)

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### **Comment No. 3 - REQUEST TO CHANGE PAD LOCATION.**

Third, although Form 2A at paragraph 14 indicates that distance in feet from a water body is 614 feet, a document submitted by the applicant to Gunnison County indicates that the site is approximately 390 feet from a wetland. The applicant has requested from Gunnison County a technical feasibility waiver under the county regulations. This is an opportunity for COGCC and Gunnison County to work with the applicant to explore whether the site can be moved or scope of pad reduced to obtain a setback of more than 500' from a wetland.

### **COGCC Response to Comment No. 3 - REQUEST TO CHANGE PAD LOCATION.**

Based on COGCC's review, the distance in feet from a water body is 614 feet, which may differ from what SG Interests has submitted on Gunnison County's permit since the distance for the Form 2A requirement is from the wellhead, not the edge of the well pad. Also, the proposed location is on private surface; and therefore has been decided by the surface owner and SG Interests.

The following conditions of approval have been placed on this Form 2A permit and address the county's proximity to water body issues/concerns about the proposed location's proximity to wetlands:

**COA 23** - 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 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** - If the drilling (reserve) pit is not closed within 30 days of well drilling/completion, then it 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 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.

**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.

**Comments submitted on February 13, 2012:**

A representative of Gunnison County (Allen Moores) participated in the February 10, 2012 onsite. Based on that participation, Gunnison County makes the following comments:

**Comment No. 4 - LGD STATEMENT ADDRESSING PREVIOUSLY SUBMITTED COMMENT CONCERNING PROXIMITY TO WETLANDS.**

The onsite disclosed that the proposed site will be separated from the nearest wetlands by a geographic feature which addresses the third LGD comment previously made.

**No COGCC Response Needed for Comment No. 4.**

**Comment No. 5 - REQUEST FOR CONSULTATION WITH COLORADO DIVISION OF WILDLIFE (CDOW).**

The onsite confirmed Gunnison County's concerns regarding the location being in a sensitive wildlife habitat area. Gunnison County respectfully reiterates the previous LGD request for a consultation with CDOW.

**COGCC Response to Comment No. 5 - REQUEST FOR CONSULTATION WITH COLORADO DIVISION OF WILDLIFE (CDOW).**

Previously addressed; see response to Comment No. 2 above.

**Comment No. 6 - REQUEST TO NOT APPROVE PIPELINE LOCATIONS.**

The onsite disclosed that a proposed route of a waterline and/or a gas line will pass through a wetland. Also, that potential routes are available that would not pass through a wetland. Gunnison County requests that the route through a wetland not be approved, and that an alternate be required to avoid the wetlands.

**COGCC Response to Comment No. 3 - REQUEST TO NOT APPROVE PIPELINE LOCATIONS.**

Per Rule 303. REQUIREMENTS FOR FORM 2, APPLICATION FOR PERMIT-TO-DRILL, DEEPEN, RE-ENTER, OR RECOMPLETE, AND OPERATE; FORM 2A, OIL AND GAS LOCATION ASSESSMENT. d. FORM 2A, OIL AND GAS LOCATION ASSESSMENT. (2) Exemptions. A new Form 2A shall not be required for the following:

- C. Gathering lines;
- E. Pipelines for oil, gas, or water;

By rule, COGCC's Form 2A cannot address the locations of gathering lines or pipelines beyond the limits of the proposed well pad.

Thank you, David Baumgarten, Gunnison County Attorney, Local Government DesigneeGunnison County is available at your convenience for a consultation and discussion – by phone or in Denver.

Thank you.

David Baumgarten