

State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax: (303)894-2109



DOCUMENT #2224104

SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 603b.)

RECEIVED 4/19/2012

1. OGCC Operator Number: 66571 4. Contact Name: Chris G. Clark
2. Name of Operator: OXY USA WTP LP
3. Address: 760 Horizon Drive, Suite 101 City Grand Junction State: CO Zip 81506
5. API Number 05- OGCC Facility ID Number 291946
6. Well/Facility Name: CC Pond 7. Well/Facility Number 10S
8. Location (Qtr/Qtr, Sec, Twp, Rng, Meridian): SESW, Sec. 5 T7S, R97W, 6th
9. County: Garfield 10. Field Name: Grand Valley
11. Federal, Indian or State Lease Number:

General Notice

CHANGE OF LOCATION: Attach New Survey Plat (a change of surface qtr/qtr is substantive and requires a new permit)
CHANGE SPACING UNIT
CHANGE OF OPERATOR (prior to drilling):
CHANGE WELL NAME NUMBER
ABANDONED LOCATION:
NOTICE OF CONTINUED SHUT IN STATUS
SPUD DATE:
REQUEST FOR CONFIDENTIAL STATUS (6 mos from date casing set)
SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK
RECLAMATION: Attach technical page describing final reclamation procedures per Rule 1004.

Technical Engineering/Environmental Notice

Notice of Intent Approximate Start Date: Report of Work Done Date Work Completed:

Details of work must be described in full on Technical Information Page (Page 2 must be submitted.)

Intent to Recomplete (submit form 2) Request to Vent or Flare E&P Waste Disposal
Change Drilling Plans Repair Well Beneficial Reuse of E&P Waste
Gross Interval Changed? Rule 502 variance requested Status Update/Change of Remediation Plans
Casing/Cementing Program Change Other: Water transfer/re-use agrmnt for Spills and Releases

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: Chris G. Clark Date: 4-19-12 Email: chris\_clark@oxy.com
Print Name: Chris G. Clark Title: Regulatory Lead

COGCC Approved: ALEX FISCHER Title Enviro. Supervisor Date: 4/20/2012

CONDITIONS OF APPROVAL, IF ANY:

**FORM**  
**4**  
Rev 12/05

**TECHNICAL INFORMATION PAGE**



FOR OGCC USE ONLY

1. OGCC Operator Number: <u>66571</u>	API Number: _____
2. Name of Operator: <u>OXY USA WTP LP</u>	OGCC Facility ID # <u>291946</u>
3. Well/Facility Name: <u>CC Pond</u>	Well/Facility Number: <u>10S</u>
4. Location (QtrQtr, Sec, Twp, Rng, Meridian): <u>SESW, Sec. 5 T7S, R97W, 6th</u>	

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. **DESCRIBE PROPOSED OR COMPLETED OPERATIONS**

The attached documents have been submitted for your review/approval for the produced water transfer between Oxy USA Inc. (Oxy) and EnCana. The sundry request is specifically for the transfer of produced water from Oxy's CC Pond 10S to EnCana's staging point, specifically the Standard Shale 6401 pad (Location ID: 323905). Water will be used for fracing at EnCana's Kimball Mtn B07 799 pad (Location ID: 383216) and KM C08 799 (Location ID: 423633). All facilities are located in Garfield County. The produced water will be tranfered using water trucks.

The following documents has been provided for your review:

- Transfer Operator Water Transfer and Reuse Plan



**OXY USA WTP LP**  
A subsidiary of Occidental Petroleum Corporation

760 Horizon Drive, Suite 101  
Grand Junction, CO 81506

# **Transfer Operator Water Reuse Plan**

**OXY USA WTP LP and EnCana Oil and Gas (USA) Inc.**

**April 2012**

## **Purpose and Need**

This water re-use plan is to be submitted to the Colorado Oil and Gas Conservation Commission (COGCC) with a Form 4 (sundry) to allow a temporary produced water transfer agreement between OXY USA WTP LP (Oxy) and EnCana Oil and Gas (USA) Inc. (EnCana).

EnCana has a need for up to 1.2 million barrels of produced water for drilling and completion operations in Garfield County, Colorado. Oxy operates wells in the Cascade Creek field (Attachment A) located in Garfield County, Colorado. Oxy generates approximately 17,000 - 20,000bbl per day of non-tributary produced and flowback water from these operations. This produced water is generally injected into approved SWD locations in the area or reused for drilling and completion activities.

Oxy would like to transfer this produced water to EnCana for beneficial re-use. If permitted to do so, a qualified water hauling company would gather the water at Oxy's approved 28-10 water off loading facility (Facility ID 421296), Pond 10 North (Facility ID 414396), Pond 10 South (Facility ID 291946) or Pond 12 (Facility ID 414405) and deliver it to EnCana's remote fracing facility located at NWNW Sec. 9, T7S, R99W, 6<sup>th</sup> PM, Garfield County, Colorado. Transfer of produced water would begin upon approval and terminate after six (6) months with an option for extension.

## **Benefits**

Under this plan, each party shall use reasonable and available means to safely transfer production water, in sufficient volumes and quality, to meet the other party's transfer request, when mutually agreeable to do so. The benefits include:

- Less fresh water withdraws from surface water sources;
- Less Reliance on injection wells for disposal of production/flowback water;
- Increased operation efficiencies from reusing local supplies of production/flowback water to meet water demands for drilling, completion and workover activities.

## **Produced Fluid Pickup and Transfer Location**

Produced water will be collected at one of the four identified transfer locations by a qualified water management hauling service. The transferring company (Oxy) shall maintain all regulatory responsibility, custody and control for all water until such time it is transferred into frac tanks currently located at the receiving company's (EnCana) remote fracing facility, at which point the receiving company will assume all regulatory responsibility, custody and control of the water.

The water will be unloaded directly into skid mounted frac tanks currently on location at EnCana's remote fracing facility staged at Standard Shale 6401, APD No. 05-045-06913-00, Location ID: 323905 situated in NWNW Section 9, Township 7 South, Range 99 West, 6<sup>th</sup> PM, Garfield County, Colorado. Reuse of transferred water will be conducted at the following locations:

Frac Location 1: Kimball Mtn B07 799: Location ID: 383216; NWNE, Sec. 7, T7S, R99W, Garfield County, Colorado;

Frac Location 2: KM C08 799: Location ID: 423633; NENW, Sec. 8, T7S, R99W, Garfield County, Colorado.

### **Transfer**

Oxy's transfer activities will consist of the following:

Transport water from Oxy's Logan Wash 28-10 off-loading facility (Facility ID 421296), Pond 10 North (Facility ID 414396), Pond 10 South (Facility ID 291946) or Pond 12 (Facility ID 414405) to EnCana's remote fracing facility staged at Standard Shale 6401, APD No. 05-045-06913-00, Location ID: 323905 situated in NWNW Section 9, Township 7 South, Range 99 West, 6<sup>th</sup> PM, Garfield County, Colorado. Oxy will transport the water using 130bbl transports and 80bbl bobtail tankers.

The volumes of fluid to be delivered will be ~5,000 – 10,000bbls/day

Oxy will maintain records with the following information:

- Changes to the approved plan;
- Applicable training requirements for Oxy and its contractors (lock out/ tag out, job hazard analysis at the transfer location, etc.);
- Types and results of internal and contractor audits conducted;
- Tabulated waste generator records, as required by Rule 907.b.(2) including:
  - Date of transport
  - Identity of water generator
  - Identity of water transporter
  - Volume of water transported
  - Location of receiving point  
(Transport tickets will be maintained for each load)
- Summary of spills, incidents or upsets;

### **Spill Response and Cleanup Measures**

Oxy's collection point is covered under a Spill Prevention, Control and Countermeasure Plan (SPCC).

EnCana's receiving point is covered under a SPCC plan.

### **Analytical Data**

An analysis representative of the water to be transferred to EnCana is included as Attachment B.

## **Operator Contact Information**

OXY USA WTP LP  
Chris Clark  
Field Regulatory Lead – Piceance  
760 Horizon Drive, Suite 101  
Grand Junction, CO 81506  
970.462.8375 Mobile  
970.263.3651 Office

EnCana Oil and Gas (USA) Inc.  
Louie Gibson  
2717 County Road 215, Suite 100  
Parachute, CO 81635  
970.989.0143 Mobile  
970.285.2611 Office

## **Summary**

Proposed use of water – EnCana’s Garfield County, CO drilling and completion activities;

Destination of water – EnCana Remote Fracing Facility NWNW Sec. 9, T7S, R99W, 6<sup>th</sup> PM, Garfield County, Colorado;

Water Transportation – All water transported to EnCana will be by 130bbl transport tankers or 80bbl bobtail tankers;

Estimated volume of water transferred – ~5,000 – 10,000bbls/day for up to six (6) months;

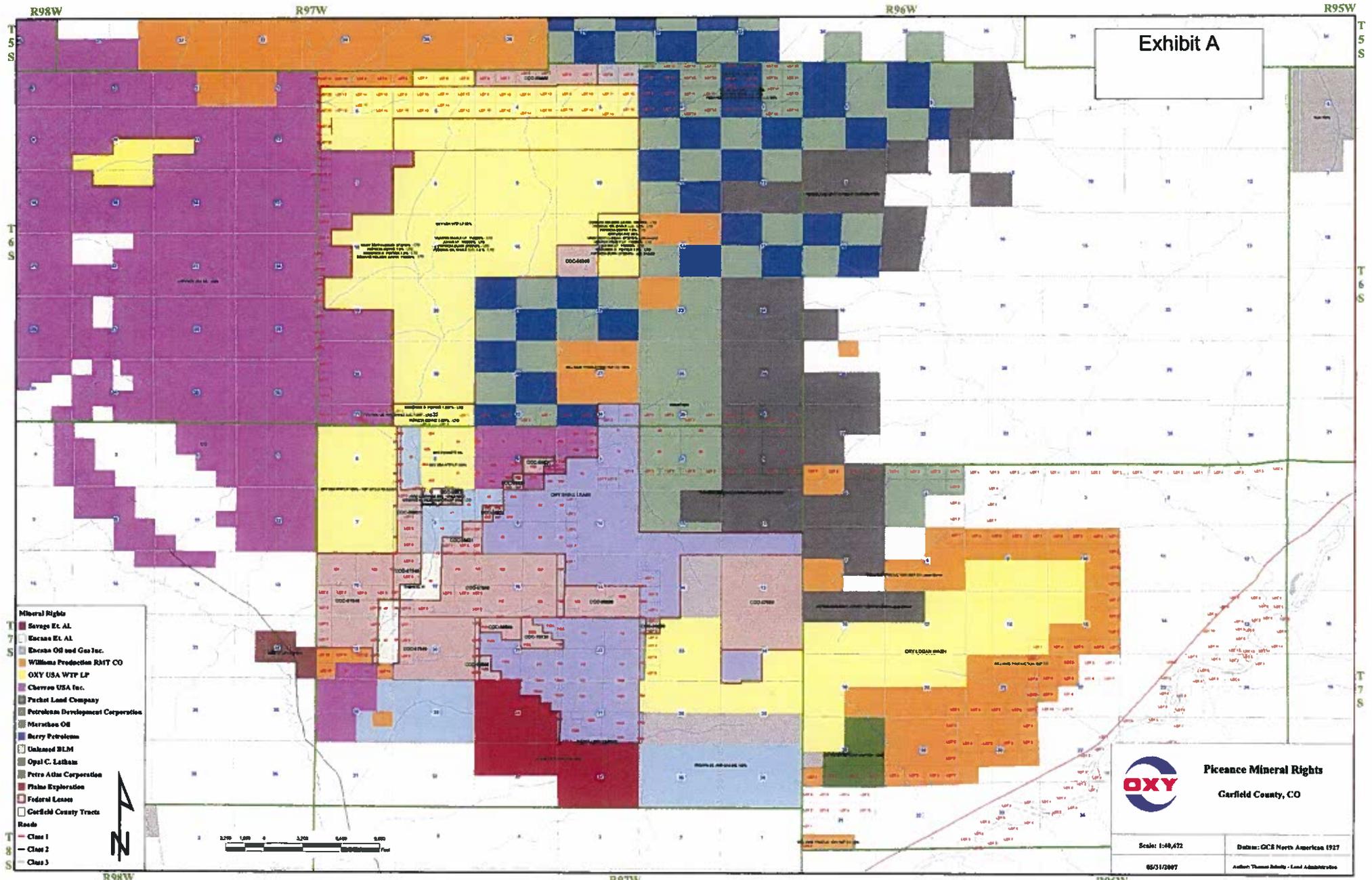
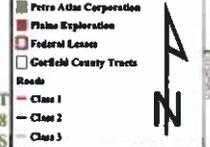


Exhibit A

- Mineral Rights**
- Savage Et AL
  - Exxon Et AL
  - Exxon Oil and Gas Inc.
  - Williams Production RMT CO
  - OXY USA WTP LP
  - Chevron USA Inc.
  - Pecten Land Company
  - Petroleum Development Corporation
  - Marathon Oil
  - Berry Petroleum
  - Unleased BLM
  - Opal C. Latham
  - Petra Atlas Corporation
  - Prime Exploration
  - Federal Leases
  - Corfield County Tracts
- Roads**
- Class 1
  - Class 2
  - Class 3



**Piceance Mineral Rights**  
Garfield County, CO

Scale: 1:48,472      Datum: GCS North American 1917  
65/1/2017      Author: Thomas Reilly - Land Administrator

Operator Name:  
 Well Name: 28-10  
 Job Description: OXY 28-10 Sample Point  
 Date: April 18, 2012



**WATER ANALYSIS**

Fluid Type: N/A

Date Filled: \_\_\_\_\_

Date Sampled: 4/18/12

Source: \_\_\_\_\_

Tank:	28-10 #1	28-10#2								
Temperature, (°F)	71.0	71.0								
pH	6.92	6.98								
Specific Gravity	1.016	1.016								
Iron (mg/L)	14.2	13.8								
Sulfates (mg/L)	450.0	450.0								
Chlorides (mg/L)	10500.0	10500.0								
Bicarbonates (mg/L)	513.0	547.2								
Hardness (mg/L)	650.7	667.7								
Calcium (mg/L)	136.8	150.5								
Magnesium (mg/L)	75.1	70.9								

Tank:	11	12	13	14	15	16	17	18	19	20
Temperature, (°F)										
pH										
Specific Gravity										
Iron (mg/L)										
Sulfates (mg/L)										
Chlorides (mg/L)										
Bicarbonates (mg/L)										
Hardness (mg/L)										
Calcium (mg/L)										
Magnesium (mg/L)										

CONDITIONS OF APPROVAL

Oxy LOCATION IDs: 414396; 424296; 291946 and 41405

Encana Location IDs 383216 and 423933

OXY USA A WTP LP and Encana Oil and Gas (USA) Inc Transfer and Receiving Water Reuse Plans

COA- APPROVAL OF THIS PLAN IS CONTINGENT UPON ANALYTICAL LABORATORY RESULTS FOR REPRESENTATIVE SAMPLES OF OXY USA A WTP LP (Oxy) FLOWBACK WATER FROM LOCATION IDs: 414396; 424296; 291946 and 41405. RESULTS SHALL BE SUBMITTED TO THE COGCC WITHIN 45 DAYS OF APPROVAL OF THIS PLAN. ANALYTICAL LABORATORY ANALYSIS SHALL INCLUDE:

- VOLATILE ORGANIC COMPOUNDS EPA METHOD 624 (GC/MS)
- SEMI-VOLATILE ORGANIC COMPOUNDS EPA METHOD 625 (GC/MS)
- DISSOLVED METALS EPA METHOD 200.7 (ICP)
- DISSOLVED INORGANICS (NON-METALS) EPA METHOD 300.0 (IC)
  - Br,Cl,F,Nitrate/Nitrite, Sulfate
- GENERAL WATER QUALITY PARAMETERS
  - SPECIFIC CONDUCTANCE EPA METHOD 300.0 (IC)
  - HARDNESS EPA METHOD 130.1
  - TOTAL DISSOLVED SOLIDS EPA METHOD 160.1
  - pH EPA METHOD 150.2
  - ALKALINITY EPA METHOD 310.1
- GROSS ALPHA AND BETA RADIOACTIVITY EPA METHOD 900.1

COA – IF LOCATIONS ARE IN A SENSITIVE AREA BECAUSE OF ITS PROXIMITY TO SURFACE WATER OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT THE WATER HANDLING FACILITY SITE DURING NATURAL GAS DEVELOPMENT ACTIVITIES AND 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 - OPERATOR MUST IMPLEMENT BEST MANAGEMENT PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS, INCLUDING ANY FLUIDS CONVEYED VIA TEMPORARY SURFACE PIPELINES.

COA - OPERATOR SHALL PROVIDE OVERFLOW PROTECTION FOR EACH TANK PROPOSED IN THE FACILITY PLANS, IF TANKS ARE USED.

COA - OPERATOR PROPOSES THAT THIS FACILITY WILL BE IN OPERATION FOR A PERIOD OF LESS THAN ONE YEARS. SHOULD THE OPERATION OF THIS FACILITY CONTINUE MORE THAN ONE YEAR, A FORM 28 SHALL BE SUBMITTED AND APPROVED BEFORE THE ONE-YEAR ANNIVERSARY DATE OF THE FIRST USE OF THE TRANSFER FACILITY/LOCATION.

COA-TERMINATION OF ACTIVITIES: BOTH OXY AND ENCANA SHALL NOTIFY THE COGCC VIA SUNDRY IMMEDIATELY UPON TERMINATION OF ACTIVITIES.

COA-OXY AND ENCANA WILL EACH SEPERATELY SUBMIT AN ANNUAL REPORT TO THE COGCC SUMMARIZING THE TRANSFER OF PRODUCTION WATER (BOTH AS TRANSFER AND RECEIVING OPERATOR) DURING THE CALENDAR YEAR AND INCLUDING LABORATORY ANALYTICAL RESULTS FOR REPRESENTATIVE SAMPLE(S) OF THE PRODUCTION WATER PROVIDED AS THE TRANSFER/RECIEVER. THE ANNUAL REPORT SHALL BE SUBMITTED ON OR BEFORE THE ANNIVERSAY OF THE FIRST DATE OF TRANSFER.