

STATE OF
COLORADO

Andrews - DNR, Doug <doug.andrews@state.co.us>

COGCC Form 2A review of PDC Energy's Ledford 22Y-HZ Pad - Doc #4005622617 messages

Andrews - DNR, Doug <doug.andrews@state.co.us>

Wed, May 14, 2014 at 11:48 AM

To: Julie Webb <julie.webb@pdce.com>

Julie,

I have reviewed the referenced Form 2A Oil & Gas Location Assessment and have the following comments.

1) A review of your Location Drawing appears to indicate the disturbed area for this oil and gas location (where the MLVTs will be placed) will overlap onto the 21-Dacono clay loam, 0-1 percent slopes NRCS Soil Map Unit. Therefore please provide me with the NRCS Map Unit Description attachment for this soil unit and I will add it to the Form 2A.

2) In the Water Resources section you have indicated the nearest water well is 405 feet from the oil and gas location. Based on its distance I expected it to appear on your Location Drawing but it doesn't. I reviewed the permit for that water well and it indicates it was abandoned in 2007. During my review it appears the nearest existing water well is Permit #265996 located approximately 940 feet to the southeast. Therefore, I will change this distance.

3) In your BMP for noise mitigation, you have indicated that sound mitigation will be installed directly south and east of the proposed pad location in the NENE Section 22 - T5N - R64W. I think you mean the SESE Section 22 as that is where this proposed pad will be located. Please confirm and I will correct that BMP.

4) Because you have indicated that a modular large volume storage tank (MLVT) will be used at this location, please also provide me with the size/volume of the MLVT, the anticipated timeframe it will be on location, and the manufacturer of the MLVT.

5) While you have included a several BMP concerning the use of the MLVT at this location, I would like to add the following Conditions of Approval:

1. MLVTs may only be utilized for the storage of freshwater. E&P wastes, including produced water, treated E&P wastes, and flowback from hydraulic fracturing operations, are not allowed.
2. MLVTs shall be constructed and operated in accordance with a design certified and sealed by a Colorado Licensed Professional Engineer.
3. COGCC Rules 604.a. and 605.a.(2,3,5,6,7, and 8), as applicable to tank setbacks at the time of installation shall apply to the siting of MLVTs.
4. All MLVT liner seams shall be welded at the liner manufacturers facility; field welded liners shall not be used. Liners shall not be reused.

6) While you have included several mitigation measure BMPs due to this oil and gas location being within a Buffer Zone Setback, please provide the following additional mitigation measure BMPs:

1. COGCC Rule 804 Visual Impact Mitigation
2. COGCC Rule 805 Odors and Dust - While you have provided a BMP for dust control along CR 54, I'm looking for site specific BMPs that deal with fugitive dust control on the oil and gas location as well and silica dust controls when handling sand used in hydraulic fracturing operations.

Please reply to this correspondence with the requested information by June 14, 2014. If you have any questions, please feel free to contact me. Thank you.

—

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Area



1120 Lincoln St., Suite 801
Denver, CO 80203
doug.andrews@state.co.us
303-894-2100 Ext. 5180

Julie Webb <Julie.Webb@pdce.com>

Wed, May 14, 2014 at 1:51 PM

To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>

Doug,

Please see my response to your questions below. I will have the BMPs for 804 and 805 to you once I get the working approved from my team.


1. I have attached the NRCS Map unit description.
2. You have my permission to updated the distance to nearest water well to 940'.
3. You have my permission the change the proposed pad to the SESE of Section 22.
4. The MLVT will be onsite for 90 days and contains 53,000 bbls per tank. MLVT manufacturers currently used by PDC are Industrial Systems Inc. (ISI) and PCI Manufacturing.
5. These proposed COAs are concerning as a group of operators that previously met with you and Greg to discuss the industry's comments on the MLVT Draft Policy. Randall also sent a follow up email on 4/18/14 to Greg to suggest a caveat to Rule 605.a.(2) to eliminate the need for a Property Line Waiver for MLVTs that are truly temporary and will be onsite for 120 days or less. As stated in the comments, this MLVT will be onsite for 30 days or less and we feel that this scenario constitutes a caveat to that particular rule. As such, the COAs (#s 2-4) you are requesting do not reflect those discussions over the suggested changes to the policy. Since the actual policy seems in the works and has not yet been finalized, we respectfully request that the COAs not be added to the permits as this requirement is a departure from locations with

MLVTs that OGLA as recently approved. Your consideration of this request is greatly appreciated.

6. In discussions with team

Thank you,

Julie

 Julie Webb | Regulatory Analyst | PDC Energy | O: 303-831-3933 | Julie.Webb@pdce.com

From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]

Sent: Wednesday, May 14, 2014 11:49 AM

To: Julie Webb

Subject: COGCC Form 2A review of PDC Energy's Ledford 22Y-HZ Pad - Doc #400562261

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NRCS Map Unit Decsription 21 Dacono clay loam.pdf

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Julie Webb <Julie.Webb@pdce.com>

Wed, May 28, 2014 at 10:26 AM

To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>

Doug,

Listed below are the two additional BMPs requested for the location. Please let me know if you need anything else.


804. Visual Impact: Production facilities, regardless of construction date, which are observable from any public highway will be painted with uniform, non-contrasting, non-reflective color tones (similar to the Munsell Soil Color Coding System), and with colors matched to but slightly darker than the surrounding landscape.

805.b(1)-(c) Odors and Dust: Oil and gas facilities and equipment will operate in a manner that odors and dust do not constitute a nuisance or hazard to public welfare. Odors: Oil and gas operations will be in compliance with the Department of Public Health and Environment, Air Quality Control Commission, Regulation No. 2 Odor Emission, 5 C.C.R. 1001-4, Regulation No. 3 (5 C.C.R. 1001-5), and Regulation No. 7 Section XVII.B.1 (a-c) and Section XII. Dust; PDC will employ practices for control of fugitive dust caused by operations include but not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high-wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. When necessary, PDC coordinates dust mitigation with the county on gravel roads, places road base where allowed by surface owner around tanks and wellheads to minimize

dust, and will water the roads and locations when dry. In addition, automation is used on all new wells to minimize truck traffic.

Thank you,

Julie

 Julie Webb | Regulatory Analyst | PDC Energy | O: 303-831-3933 | Julie.Webb@pdce.com

From: Andrews - DNR, Doug [<mailto:doug.andrews@state.co.us>]

Sent: Wednesday, May 14, 2014 11:49 AM

To: Julie Webb

Subject: COGCC Form 2A review of PDC Energy's Ledford 22Y-HZ Pad - Doc #400562261

Julie,

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Andrews - DNR, Doug <doug.andrews@state.co.us>

Fri, May 30, 2014 at 2:10 PM

To: Julie Webb <Julie.Webb@pdce.com>

Julie,

I have modified my COA #2 -4 to reflect the COGCC's recently revised (May 29, 2014) MLVT policy which has been approved by Director Lepore. If these are still unacceptable to PDC, please provide me BMPs that will address the concerns these COAs cover.

2. The MLVT shall be constructed and operated in accordance with a design package certified and sealed by a Licensed Professional Engineer either in Colorado or the state where the MLVT was designed or manufactured.

3. COGCC Rules 605.a.(3,5,6,7, and 8), as applicable to tank setbacks at the time of installation shall apply to the siting of this MLVT.

4. All MLVT liner seams shall be welded and tested in accordance with applicable ASTM international standards. Any repairs to liners shall be made using acceptable practices and applicable standards.

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Julie Webb <Julie.Webb@pdce.com>

Wed, Jun 4, 2014 at 8:38 AM


To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>

Hi Doug,

The COA's are okay to add to the permit.

Thank you,

Julie

 Julie Webb | Regulatory Analyst | PDC Energy | O: 303-831-3933 | Julie.Webb@pdce.com

From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]

Sent: Friday, May 30, 2014 2:10 PM

To: Julie Webb

Subject: Re: COGCC Form 2A review of PDC Energy's Ledford 22Y-HZ Pad - Doc #400562261

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Andrews - DNR, Doug <doug.andrews@state.co.us>

Thu, Jun 5, 2014 at 8:46 AM

To: Julie Webb <Julie.Webb@pdce.com>

Julie,

Now that the Public Comment period has passed for this oil and gas location, please send me a letter certifying that PDC Energy has complied with COGCC Rule 306.e. (Meetings with Building Unit Owners Within a Buffer Zone Setback). If there were any meetings with Building Unit owners, please let me know what the outcome of those meetings were. Thank you.

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Julie Webb <Julie.Webb@pdce.com>

Fri, Jun 6, 2014 at 11:57 AM


To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>

Hi Doug,

Attached is the Meeting certification letter.

Thanks!

Julie

 Julie Webb | Regulatory Analyst | PDC Energy | O: 303-831-3933 | Julie.Webb@pdce.com

From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]

Sent: Thursday, June 05, 2014 8:46 AM

To: Julie Webb

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Ledford 22Y-HZ_306e Meeting Requirements Certification Letter to Director.pdf

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