

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, July 15, 2014 2:05 PM
To: Dave Kubeczko - DNR
Subject: FW: KGH Operating Company, Meagher #3-3H Pad, Lot 5 Sec 3 T1S R104W, Rio Blanco County, Form 2A#400568810 Review

Scan No. 2107040 CORRESPONDENCE 2A#400568810

From: Tom Hauptman [mailto:tom@tmhauptman.com]
Sent: Tuesday, June 10, 2014 3:18 PM
To: Dave Kubeczko - DNR
Cc: T K Hohn; jeff Wingerter
Subject: Re: KGH Operating Company, Meagher #3-3H Pad, Lot 5 Sec 3 T1S R104W, Rio Blanco County, Form 2A#400568810 Review

Dave- We agree to the stipulations set out in the email below. Thank you.

KGH Operating Company

Thomas M. Hauptman, President

----- Original Message -----

From: [Dave Kubeczko - DNR](#)
To: tom@tmhauptman.com
Sent: Wednesday, May 28, 2014 5:56 PM
Subject: KGH Operating Company, Meagher #3-3H Pad, Lot 5 Sec 3 T1S R104W, Rio Blanco County, Form 2A#400568810 Review

Thomas,

I have been reviewing the Meagher #3-3H Pad **Form 2A** (#400568810). COGCC would like to attach the following conditions of approval (COAs) based on the information and data KGH Operating has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Planning: The following conditions of approval (COAs) will apply:

COA 91 - Notify the COGCC 48 hours prior to start of pad construction, pit construction, rig mobilization, spud, pipeline testing, start of hydraulic stimulation operations, and start of flowback operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

Construction: The following conditions of approval (COAs) will apply:

COA 23 - Operator must ensure 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 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.

Drilling/Completions: The following conditions of approval (COAs) will apply:

COA 38 - The moisture content of any drill cuttings in a cuttings trench or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1.

COA 25 - If the well is to be hydraulically stimulated, 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 storage vessel located on the well pad; or pit located adjacent to 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 constructed to be sufficiently impervious to contain any spilled or released material.

Material Handling and Spill Prevention: The following conditions of approval (COAs) will apply to the Form 2A Permit if any temporary surface or buried permanent pipelines (poly or steel) are used during operations at the well pad location or nearby well pads:

COA 45 - Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network.

Construction for Pit: The following conditions of approval (COAs) will apply to the proposed reserve pit, if constructed:

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 (if applicable) of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

COA 48 - Pits containing flowback fluids or produced water must be lined with a minimum 24 mil HDPE liner.

COA 49 - For pits containing fluids other than freshwater only; the pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.

COA 28 - Pits used exclusively for drilling shall be closed in accordance with the 1000-Series Rules. Any pit(s) used for purposes other than drilling shall be closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels; with an approved Site Investigation and Remediation Workplan, Form 27.

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
Western Colorado



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