

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Wednesday, November 05, 2014 11:41 AM
To: dave.kubeczko@state.co.us
Subject: FW: Caerus Piceance LLC, Mesa H2-797 Pad, Tract 66 (SENE) Sec 2 T7S R97W, Garfield County, Form 2A#400697721 Review

Categories: Operator Correspondence

Scan No 2107147 CORRESPONDENCE 2A#400697721

From: Shauna DeMattee [mailto:sdemattee@progressivepcs.net]
Sent: Friday, October 24, 2014 10:21 AM
To: Dave Kubeczko
Cc: Crissy Venturo
Subject: Re: Caerus Piceance LLC, Mesa H2-797 Pad, Tract 66 (SENE) Sec 2 T7S R97W, Garfield County, Form 2A#400697721 Review

Hi Dave,

Caerus concurs with the proposed COGCC COAs for the Mesa H2 797 Pad. Please let me know if you need any further information for your review.

Have a nice weekend!

Sincerely,

Shauna DeMattee

Director of Business Development/ Regulatory Analyst
Progressive Consulting
P.O. Box 863, Lafayette, CO 80026
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From: Dave Kubeczko - DNR <dave.kubeczko@state.co.us>
Sent: Wednesday, October 22, 2014 11:13 AM
To: Crissy Venturo
Subject: Caerus Piceance LLC, Mesa H2-797 Pad, Tract 66 (SENE) Sec 2 T7S R97W, Garfield County, Form 2A#400697721 Review

Crissy,

I have been reviewing the Mesa H2-797 Pad **Form 2A** (#400697721). COGCC would like to attach the following conditions of approval (COAs) based on the information and data Caerus Piceance LLC (Caerus) 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, rig mobilization, spud, pipeline testing, start of hydraulic stimulation operations, and start of flowback operations (if different that stimulation) using

Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

COA 99 - ROAN RIM NTO: Notice to Operators (NTO) Drilling Wells on the Roan Plateau in Garfield County: Operator shall comply with all provisions of the June 12, 2008 Notice to Operators (NTO) Drilling Wells Within ¼ Mile of the Rim of the Roan Plateau in Garfield County – Pit Design, Construction, and Monitoring Requirements. At a minimum, all pits (if constructed) must be lined.

COA 37 - The operator shall submit, and receive approval of, a reuse and recycling plan per Rule 907.a.(3), prior to any offsite reuse/recycling of cuttings.

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 (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 after precipitation events), and maintained in good condition.

COA 44 - The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.

COA 76 - Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

COA 28 - The location is in an area of moderate to high run-on/run-off potential; therefore 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 run-off.

COA 57 - The nearby hillside must be monitored for any day-lighting of drilling fluids throughout the drilling of the surface casing interval.

COA 58 - Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner) to contain any spilled or released material around permanent crude oil, condensate, and produced water storage tanks.

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

COA 38 - The moisture content of any cuttings in a cuttings area, 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 the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.

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, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) 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 26 - Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.

Material Handling and Spill Prevention: The following conditions of approval (COAs) will apply to the Form 2A if any temporary surface or buried pipelines (poly or steel) are used during operations at the frac 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.

COA 48 - Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.

COA 49 - Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface pipeline routes for leaks during active transfer of fluids. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance

during pipeline monitoring. The operator shall maintain records of inspections, findings and repairs, if necessary, for the life of the pits.

COA 54 - Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all sensitive area crossings, including, but not limited to stream, intermittent stream, ditch, and drainage crossings.

COA 55 - Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.

COGCC would appreciate your concurrence with attaching the COGCC 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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