

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Friday, December 26, 2014 10:39 AM
To: dave.kubeczko@state.co.us
Subject: FW: Santa Fe Natural Resources Inc, McIntyre 1-3R, NESE Sec 3 T7N R94W, Moffat County, Form 2A#400711396 Review

Categories: Operator Correspondence

Scan No 2107256 CORRESPONDENCE 2A#400711396

From: Joe Mazotti [mailto:ogp-co@comcast.net]
Sent: Friday, December 26, 2014 9:52 AM
To: Dave Kubeczko - DNR
Subject: Re: Santa Fe Natural Resources Inc, McIntyre 1-3R, NESE Sec 3 T7N R94W, Moffat County, Form 2A#400711396 Review

Dave,

Per the surface owners request, please DO NOT include the below proposed CWP BMP's on the approved Location Assessment for the subject well.

CPW BMP 4 - Operator shall conduct oil and gas construction, drilling and completions activities outside the time period from December 1 and April 15 (mule deer critical winter range time and elk winter concentration time).

CPW BMP 5 - Operator shall conduct non-emergency post construction, drilling and completions activities between 9:00 AM and 3:00 PM between the period of December 1 and April 15 (mule deer critical winter range time and elk winter concentration time).

CPW BMP 10 - Operator shall implement a policy that prohibit employees and contractors from having pets on site or in their vehicle while at work.

CPW BMP 11 - Operator shall adhere to COGCC Rule 1204 a. 1. requiring the operator to use bear-proof dumpsters and or trash receptacles.

Santa Fe Resources concurs with all COGCC COAs.

Joe Mazotti

From: "Dave Kubeczko - DNR" <dave.kubeczko@state.co.us>
To: "Joe Mazotti" <ogp-co@comcast.net>
Sent: Monday, December 22, 2014 4:06:24 PM
Subject: Santa Fe Natural Resources Inc, McIntyre 1-3R, NESE Sec 3 T7N R94W, Moffat County, Form 2A#400711396 Review

Joe,

I have been reviewing the McIntyre 1-3R Pad **Form 2A** (#400711396). Based on the onsite on 11-04-14, COGCC has revised the Form 2A to be an amended location (OGCC ID#312997), correcting the number of wells to two (2). COGCC would like additional information (Multi-Well Plan) and would like to attach the following conditions of approval (COAs) based on the information and data Santa Fe Natural Resources Inc (Santa Fe) has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Rule 303.b.(3).L.: Where the proposed Oil and Gas Location is for multiple wells on a single pad, a drawing showing proposed wellbore trajectory with bottom-hole locations.

Santa Fe needs to provide a Multi-Well Plan showing both wells.

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

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

COA 94 - Operator shall submit Reference Area Pictures within twelve (12) months after the Form 2A (10-22-14). **Sent on 12-26-2014**

In addition, this location has been designated a “sensitive area” due to proximity to downgradient surface water (170’).

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

COA 23 - Operator must ensure secondary containment for any volume of fluids contained at tank site during 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 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 encouraging 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 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.

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

COA 11 - A closed loop system must be implemented during drilling; or, if a drilling pit is constructed, an amended Form 2A must be submitted and a Form 15 submitted if operator plans on using either oil based muds or high chloride/TDS mud. The pit must be lined. All cuttings generated during drilling with oil based muds or high chloride/TDS mud must be kept in the lined drilling pit, or placed either in containers, lined trenches, or on a lined/bermed portion of the well pad; prior to disposition. 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 the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1. All liners associated with oil based muds or high chloride/TDS mud cuttings must be disposed of offsite per CDPHE rules and regulations.

COA 38 - The moisture content of water-based drilling mud drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts.

COA 25 - If the well(s) is(are) 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 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.

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 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.

Based on the CPW/COGCC/Surface Owner onsite on 11-04-14, CPW has proposed the following wildlife BMPs for Santa Fe to consider placing on this Form 2A Permit:

CPW BMP 1 - Operator shall keep the road construction to a minimum and use existing roads to the extent possible, as requested by the surface owner.

CPW BMP 2 - Operator shall conduct oil and gas construction, drilling and completions activities outside the time period from March 1 and June 30 (greater sage grouse production time).

CPW BMP 3 - Operator shall conduct non-emergency post construction, drilling and completions activities between 9:00 AM and 3:00 PM between the period of March 1 and June 30 (greater sage grouse production time).

CPW BMP 4 - Operator shall conduct oil and gas construction, drilling and completions activities outside the time period from December 1 and April 15 (mule deer critical winter range time and elk winter concentration time).

CPW BMP 5 - Operator shall conduct non-emergency post construction, drilling and completions activities between 9:00 AM and 3:00 PM between the period of December 1 and April 15 (mule deer critical winter range time and elk winter concentration time).

CPW BMP 6 - Operator shall use hospital grade mufflers for compressors, pump jacks, or other motors necessary to run operations at the pad site. Mufflers will be pointed upwards to eliminate potential vibration to the ground.

CPW BMP 7 - Operator shall consult with CPW and surface owner to evaluate seed mix reclamation options, CPW can assist the surface owner with developing a grass, forbs, and shrub wildlife friendly seed mix for reclamation.

CPW BMP 8 - Operator shall establish and implement company guidelines to minimize wildlife mortality from vehicle collisions on roads: CPW recommended self enforcement of speed limits on private roads and limit speed to 25 MPH to minimize vehicle-wildlife collisions.

CPW BMP 9 - Operator shall implement policies that prohibit employees and contractors from carrying or having firearms on site or in their vehicles.

CPW BMP 10 - Operator shall implement a policy that prohibit employees and contractors from having pets on site or in their vehicle while at work.

CPW BMP 11 - Operator shall adhere to COGCC Rule 1204 a. 1. requiring the operator to use bear-proof dumpsters and or trash receptacles.

COGCC would appreciate your concurrence with attaching these COGCC COAs to the Form 2A permit prior to passing the OGLA review. COGCC understands that Santa Fe has obtained surface owner waivers to the CPW consultation and any corresponding recommended wildlife BMPs. However, due to the potential endangered species listing of greater sage grouse by the US Fish and Wildlife, COGCC will place the greater sage grouse timing limitation BMPs (CPW BMPs 2, 3, and 6) on the Form 2A. COGCC would appreciate Santa Fe determining which of the other CPW recommended wildlife BMPs would be suitable for this location. If you have any questions, please do not hesitate to call me at [\(970\) 309-2514](tel:9703092514) (cell), or email. Thanks.

Dave

David A. Kubeczko, PG
Oil and Gas Location Assessment Specialist
Western Colorado



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