

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Monday, March 30, 2015 3:34 PM
To: dave.kubeczko@state.co.us
Subject: FW: SG Interests I, Hughes 11-90-26 #2 Pad, Lot 6 Sec 26 T11S R90W, Gunnison County, Form 2A#400775142 Review

Importance: High

Categories: Operator Correspondence

Scan No 2107331

CORRESPONDENCE

2A#400775142

From: Catherine Dickert [mailto:cdickert@sginterests.com]
Sent: Monday, March 30, 2015 2:56 PM
To: Kubeczko, Dave
Subject: FW: SG Interests I, Hughes 11-90-26 #2 Pad, Lot 6 Sec 26 T11S R90W, Gunnison County, Form 2A#400775142 Review
Importance: High

Dave,

Please see our requested changes to the COAs for the Hughes 11-90-26 location below. Contact me with any questions.
Thank you.
Catherine

Catherine Dickert
Environmental and Permitting Manager
SG Interests

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Wednesday, March 18, 2015 9:50 AM
To: Catherine Dickert
Subject: SG Interests I, Hughes 11-90-26 #2 Pad, Lot 6 Sec 26 T11S R90W, Gunnison County, Form 2A#400775142 Review
Importance: High

Catherine,

I have been reviewing the Hughes 11-90-26 #2 Pad **Form 2A** (#400775142). The previously submitted Form 2A#2286537 (approved on 03-18-12) COAs for OGCC Facility ID#428191 will apply (where applicable):

GENERAL SITE COAs:

Location is in a sensitive area because of proximity to wetlands and surface water; therefore, operator must ensure 110 percent 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 maintained in good condition.

Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed temporary surface pipelines or buried pipelines.

Location is in a sensitive area because of shallow groundwater; therefore either a lined drilling pit or closed loop system must be implemented.

Location is in a sensitive area because of shallow groundwater; therefore any pits constructed to hold fluids (i.e., production pit, frac pit, reserve pit) must be lined.

The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts.

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

The drilling (reserve) pit must be fenced and netted. The operator must maintain the fencing and netting until the pit is closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.

The surface soils and materials are fine-grained and highly unconsolidated; therefore appropriate BMPs need to be in place during all drilling and well completion operations. 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 runoff.

Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of fracing operations.

~~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 pit 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 (an increase in the height of the pad perimeter berm can address this requirement).~~ **Delete for revised COA 25 below.**

The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface pipelines or configuration of the permanent pipeline network.

Berms or other containment devices shall be constructed to be sufficiently impervious to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.

COGCC would like to attach the following conditions of approval (COAs) based on the data SG Interests I 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 reconstruction/regrading (if necessary), rig mobilization, spud, start of hydraulic stimulation operations, start of flowback operations (if different than start of hydraulic stimulation operations), and pipeline testing using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

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

Revised COA 25 - If the wells 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.

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 well pad location or nearby well pads:

COA 46 - Operator must implement best management practices (secondary containment and spill response equipment) 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 47 - Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface poly 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.

COA 48 - Prior to operation, pipelines will be air and/or hydro tested for integrity. When in operation, pump stations will be manned continuously to ensure immediate response to pressure changes or pump issues. Qualified personnel, interconnected via 2-way radio, manning each booster pump will carefully synchronize pump turn-on and shut-down according to written and practiced procedure. The entire line will be monitored, where feasible, during pumping and flowback operations. For stream or intermittent stream crossings, operator will ensure appropriate containment by installing over-sized pipe "sleeves" which extend the length of the crossing and beyond to a distance deemed adequate to capture and/or divert any possible release of fluids and prevent infusion into the stream water. Operator will design their infrastructure and utilize pipeline materials to exceed required pressures and flow rates by a minimum of 30%. The DR 9 poly pipeline used in this project is rated to support pressure surges up to 500 psi, continual surges of 375 psi, and a maximum operating pressure of 250 psi. Pumps used in this project will operate at pressures 20-30 psi below the maximum operating pressure of the poly pipeline at all times.

COA 49 - 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 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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