

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, February 09, 2016 3:30 PM
To: dave.kubeczko@state.co.us
Subject: SandRidge Exploration & Production LLC, Hebron 01-18HR Pad, NWNE Sec 18 T7N R80W, Jackson County, Form 2A#400958033 Review

Categories: Operator Correspondence

Scan No 2107761 CORRESPONDENCE 2A#400958033

From: Spence Laird [mailto:slaird@sandridgeenergy.com]
Sent: Tuesday, February 09, 2016 3:21 PM
To: Dave Kubeczko - DNR; krodell@upstreampm.com
Subject: RE: SandRidge Exploration & Production LLC, Hebron 01-18HR Pad, NWNE Sec 18 T7N R80W, Jackson County, Form 2A#400958033 Review

The below looks good and SandRidge will adhere. I didn't see any wildlife stips, is that correct? If so, that is great, thank you!

Spence Laird



From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Tuesday, February 09, 2016 4:18 PM
To: Spence Laird; krodell@upstreampm.com
Subject: <EXTERNAL> SandRidge Exploration & Production LLC, Hebron 01-18HR Pad, NWNE Sec 18 T7N R80W, Jackson County, Form 2A#400958033 Review
Importance: High

Spence,
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I have been reviewing the Hebron 01-18HR Pad??**Form 2A#400958033**?? The following conditions of approval (COAs) from the previously submitted and approved (10-31-14) Form 2A#400598395, EE3 LLC, Hebron 01-18HR Pad; OGCC Facility ID#414127 will apply:

PREVIOUS FORM 2A#400598395; OGCC ID#414127; COAs:

Planning:??

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

Construction:??

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.

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.

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.

Drilling/Completions:??

The moisture content of any cuttings??in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts.?? At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.

If the wells are 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:??

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 (if installed) and following any reconfiguration of the pipeline network. ??

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COGCC requests that SandRidge review the attached policy (**NOTICE TO OPERATORS, Rule 912. VENTING OR FLARING PRODUCED NATURAL GAS ??? STATEWIDE, January 12, 2016**) and the following rule about venting and flaring:

912. VENTING OR FLARING NATURAL GAS

- a. The unnecessary or excessive venting or flaring of natural gas produced from a well is prohibited.
- b. Except for gas flared or vented during an upset condition, well maintenance, well stimulation flowback, purging operations, or a productivity test, gas from a well shall be flared or vented only after notice has been given and approval obtained from the Director on a Sundry Notice, Form 4, stating the estimated volume and content of the gas. The notice shall indicate whether the gas contains more than one (1) ppm of hydrogen sulfide. If necessary to protect the public health, safety or welfare, the Director may require the flaring of gas.
- c. Gas flared, vented or used on the lease shall be estimated based on a gas-oil ratio test or other equivalent test approved by the Director, and reported on Operator's Monthly Report of Operations, Form 7.
- d. Flared gas that is subject to Sundry Notice, Form 4, shall be directed to a controlled flare in accordance with Rule 903.b.(2) or other combustion device operated as efficiently as possible to provide maximum reduction of air contaminants where practicable and without endangering the safety of the well site personnel and the public.
- e. Operators shall notify the local emergency dispatch or the local governmental designee of any natural gas flaring. Notice shall be given prior to flaring when flaring can be reasonably anticipated, or as soon as possible, but in no event more than two (2) hours after the flaring occurs.

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In addition, COGCC would like to attach the following conditions of approval (COAs) based on the data??SandRidge Exploration & Production LLC (SandRidge)??has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.?? ??

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

COA 96??- Operator must adhere to all COAs that were previously agreed to by EE3 for this location - OGCC ID#414127 (previously submitted and approved [10-31-14] Form 2A#400598395). These ??include notification, fluid containment, spill/release BMPs, sediment and dust control access road, cuttings low moisture content, flowback to tanks, and pipeline testing.

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

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

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

COA 11 - A closed loop system must be implemented during drilling.?? All cuttings generated during drilling of the horizontal portion of the wellbore through the oil-producing zone must be kept in containers, a lined cuttings

trench, or on a lined/bermed portion of the well pad; prior to amending and final 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. The operator has indicated that Cuttings Disposal will be OFFSITE and that the Cuttings Disposal Method will be COMMERCIAL DISPOSAL (as shown in the DRILLING WASTE MANAGEMENT PROGRAM SECTION of the Form 2A). All liners associated with drilling mud and drill cuttings must be disposed of offsite per CDPHE rules and regulations.

COA 11a - If operator changes disposal options for drill cuttings, then a Waste Management Plan will be required (submitted via a Form 4 Sundry Notice; detailing cuttings sampling, amending where the cuttings will be placed on this location). All water/bentonite-based mud- (WBM-) generated drill cuttings that will remain on the well pad location (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), must be representatively sampled (to be determined by the operator), analyzed in accordance with the rules, and meet the concentration levels listed in Table 910-1.

COA 11b - If operator determines that long-term (beyond the timeframe allowed for interim reclamation) onsite management of WBM-generated drill cuttings is necessary, a Form 27 remediation plan (submitted via a Form 4 Sundry Notice; detailing amendment procedures and how and where these cuttings will be reused at this location) will be required. After the drill cuttings have been amended to meet the levels listed in Table 910-1, and placed/reused on the well pad, sampling frequency (to be determined by the operator) of these drill cuttings shall be representative of the material left on location.

COA 26 - Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.

COA 33 - Operator shall follow all requirements of COGCC's current policy - **NOTICE TO OPERATORS, Rule 912. VENTING OR FLARING PRODUCED NATURAL GAS STATEWIDE, dated January 12, 2016**; and to **Rule 912. VENTING OR FLARING NATURAL GAS. a. thru e.** in regards to venting and flaring.

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Please respond to this email indicating that you have read the policy and rules concerning venting and flaring and will adhere to both. COGCC would also appreciate your concurrence with attaching these additional COAs to the Form 2A prior to final approval. If you have any questions, please do not hesitate to call me at (970) 309-2514 (cell), or email. Thanks.

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Dave

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

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