

## Dave Kubeczko - DNR

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**From:** Dave Kubeczko - DNR  
**Sent:** Wednesday, June 08, 2016 8:48 AM  
**To:** Dave Kubeczko  
**Subject:** Caerus Piceance LLC, Parachute Creek 5A, Lot 1 (NWNE) Sec 17 T6S R96W, Garfield County, Form 2A#400947449 Review

**Categories:** Operator Correspondence

Scan No. 2107851      CORRESPONDENCE      2A#400947449

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**From:** Reed Haddock [mailto:[rhaddock@caerusoilandgas.com](mailto:rhaddock@caerusoilandgas.com)]  
**Sent:** Wednesday, June 08, 2016 7:32 AM  
**To:** Dave Kubeczko - DNR  
**Subject:** RE: Caerus Piceance LLC, Parachute Creek 5A, Lot 1 (NWNE) Sec 17 T6S R96W, Garfield County, Form 2A#400947449 Review

Dave:

Caerus is fine with these COAs. Reed

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**From:** Dave Kubeczko - DNR [mailto:[dave.kubeczko@state.co.us](mailto:dave.kubeczko@state.co.us)]  
**Sent:** Tuesday, May 31, 2016 5:13 PM  
**To:** Reed Haddock <[rhaddock@caerusoilandgas.com](mailto:rhaddock@caerusoilandgas.com)>  
**Subject:** Caerus Piceance LLC, Parachute Creek 5A, Lot 1 (NWNE) Sec 17 T6S R96W, Garfield County, Form 2A#400947449 Review  
**Importance:** High

Reed,

I have been reviewing the Parachute Creek 5A **Form 2A #400947449**. COGCC has requested a revised Multi-Well Plan that includes the bottomhole locations for the three (3) existing gas wells on the Parachute Creek 5 Pad, in addition to the ten (10) proposed gas wells already shown on the Parachute Creek 5A Pad. COGCC would also 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 condition of approval (COA) will apply:

**COA 91** - In addition to the notifications required by COGCC listed in the **Northwest Notification Policy (Notice of Intent to Construct a New Location, Notice of Intent to Spud Surface Casing, and Notice of Intent to Commence Hydraulic Fracturing Operations)** and **Rule 316C. COGCC Form 42. FIELD OPERATIONS NOTICE (a. Notice of Intent to Conduct Hydraulic Fracturing Treatment and c. Notice of Construction or Major Change)**; operator shall notify the COGCC 48 hours prior to pipeline testing (flowlines from wellheads to separators to tanks; and/or any temporary surface lines used for hydraulic stimulation and/or flowback operations) using the Form 42 (as described in **Rule 316C.m. Notice of Completion of Form 2/2A Permit Conditions**). The appropriate COGCC individuals will automatically be email notified.

In addition, based on proximity of the well pad to downgradient surface water (multiple streams, intermittent streams, and irrigation ditches located 88' to 383' to the east-southeast and 286' to the northeast), close proximity to a domestic water well (610' to the east), and due to the potential for shallow groundwater from 4 nearby water wells (14' below ground surface at the closest water well; to 20' below ground surface), this location will be designated a "sensitive area".

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

**COA 23** - Operator must ensure secondary containment for any volume of fluids contained at the well site during drilling and completion operations (as shown on the Construction Layout Drawings, Location Drawing, Proposed BMPs, and Facility Layout Drawing attachments). These may include, but are 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. The proposed BMPs may be changed based on actual site conditions. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals as required by CDPHE (at least every 14 days and after precipitation events), and maintained in good condition. The design/build of any perimeter berm shall be sized, constructed, and compacted sufficiently to contain fluids during drilling operations, as well as all fluids contained in temporary frac tanks during completion operations.

**COA 28** - The location is in an area of moderate run-on potential; therefore standard stormwater BMPs must be implemented; prior to, during, and after construction, as well as during operations; at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater run-off.

**COA 44** - The access road will be constructed and maintained as to not allow 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.

**Drilling/Completions:** The following condition of approval (COA) will apply:

**COA 25** - Flowback and stimulation fluids must be sent to a closed system (e.g. capable of containing under pressure any vapors, fumes, or gases) of tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or other open top containment structures located on the well pad; or into tanker trucks for offsite disposal. No open top tanks can be used for initial flowback fluids containment. 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. No additional downgradient berming of the fluid flowback containment equipment will be required if the operator constructs a sufficiently sized perimeter berm around the location.

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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