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From: <jhaack@oagproduction.com>

Date: Fri, Sep 30, 2016 at 12:18 PM

Subject: Diversified Energy LLC operator 10428

To: alex.fischer@state.co.us

Cc: jhaack@oagproduction.com

Dear Alex Fischer,

In the recent field inspection reports emailed to me you asked some questions.

Regarding facility 313094 known as the Bingman #1-14

Question asked:

By September 30, 2016, provide the fluid process flow when the well is producing including disposition of produced water. Provide the purpose of the black poly pipe day lighting into the Pit Facility.

Response:

1. At all times if/when well is producing, produced water shall be disposed of at a licensed pit facility or licensed water disposal injection well.

The pit was permitted to dispose of produced water by evaporation of up to 11.3 bbls/day. The well is shut in now and has only been operated sporadically in recent years, and I can only tell you that the pit operation has in the past remained within the permit parameters, and it will be operated in the future so as to comply with the permit. If in the future the well were to produce water at a rate that exceeded the permitted pit capacity, that excess water would be collected and transported to a licensed water disposal injection well.

2. Pit is a licensed facility 285519 known as Bingman 1-14 and current operator assumes the previous operator used black poly pipe in normal production and pit operations.

Regarding facility 312771 known as A.P. Urie #1

Question asked:

By September 30, 2016, provide the past, current, and future fluid process flow for the well when producing including disposition of produced water and saleable product. Provide the purpose and description of the various flow lines running on/off location and adjacent to location.

Response:

1. At all times when the well is producing, produced water shall be disposed of at a licensed pit facility or licensed water disposal injection well. All Future produced water shall be handled in same manner as previous processes.

The well is shut in now and has only been operated sporadically in recent years. Produced water is collected and transported to a licensed water disposal injection well.

2. Flow line as noted from well head was relocated from a southwest position near former tank battery to a north position running along side pumping unit during shut in period. Well is shut in with no tanks, separators or other equipment until such a time operator resumes production. Concrete pads, valves, risers, pipes to the west of well head as noted in doc# 677900179 is production equipment to the previous tank battery, separators that the former operator "Dry Creek Petroleum LLC" and Texaco used prior to Operatorship of Diversified Energy LLC assigned in July 2012.

Regarding Facility 312773 known as J.P Weise #1

Question Asked:

By September 30, 2016, provide the past, current, and future fluid management process flow for the well(s) when producing including disposition of produced water and saleable product.

Provide the purpose and description of the various flow lines running adjacent and/or to location.

Provide a description of the tank battery including the various tanks and fluid management process. Provide a description of the app 3" poly pipe line with cam union running through the tank battery on the surface to the riser.

Response:

1. At all times when the well is producing, produced water shall be disposed of at a licensed pit facility or licensed water disposal injection well. All Future produced water shall be handled in same manner as previous processes.

The evaporation pit was permitted to dispose of produced water by evaporation of up to 2.4 bbls/day. The Weise 2 and Urie 2 wells are operated by a different operator, not Diversified Energy, and water produced by the Weise 2 and the Urie 2 is apparently being collected by that different operator and transported for disposal elsewhere. Produced water from those two wells is not disposed of at the Weise 1 site. Diversified Energy, LLC, has no information as to the operation of the Weise 2 and Urie 2 wells.

The Weise 1 well is shut in. If it were producing, produced water would be transported for disposal at a licensed facility. Facility is a licensed pit facility please see doc #1433383 "Pit Permit Form 10"

2. Tank Battery has (5) 400 barrel tanks that have been used at various times as fluid storage for the Urie wells and also the Wiese wells with various flow lines from well heads mentioned.

4. 3" poly pipe with female cam union running through tank battery is used by various water haulers, cam union to tank as noted in doc #677900182 is also a female connection and has no relation to poly pipe noted in doc #677900182

Please call me with any questions.

Regards,
Jason Haack
Diversified Energy LLC
[303-995-0826](tel:303-995-0826)

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Alex Fischer, P.G.

Environmental Supervisor, Western Colorado



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

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