

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, August 29, 2017 11:14 AM
To: Dave Kubeczko - DNR
Subject: SandRidge Exploration & Production LLC, Beaver Creek 0881 S10 Pad, NWNE Sec 10 T7N R81W, Jackson County, Form 2A#401330286 Review

Importance: High

Categories: Operator Correspondence

Discussed COAs and Wildlife BMPs with Operator on 08-29-17 and received verbal concurrence and acknowledgement.

Scan No. 2108196 CORRESPONDENCE 2A #401330286

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Tuesday, August 29, 2017 10:58 AM
To: Spence Laird; krodell@upstreampm.com
Subject: SandRidge Exploration & Production LLC, Beaver Creek 0881 S10 Pad, NWNE Sec 10 T7N R81W, Jackson County, Form 2A#401330286 Review
Importance: High

Spence and Kim,

I have been reviewing the SandRidge Exploration & Production LLC (SandRidge), Beaver Creek 0881 S10 Pad **Form 2A# 401330286**. Based on COGCC's review, the following updates, revisions, and corrections have been made to the Form 2A:

COGCC corrected 'LOCATION IDENTIFICATION' Existing Ground Elevation from 8250' to 8251' based on survey data on the Multi-Well Plan attachment; and

COGCC has revised: Date planned to commence construction: from 08/01/2017 to 09/04/2017 and Estimated date that interim reclamation will begin: from 02/01/2018 to 03/04/2018.

COGCC will attach the following conditions of approval (COAs) to the Form 2A based on the information and data SandRidge has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Planning: The following 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)** and **Rule 316C. COGCC Form 42. FIELD OPERATIONS NOTICE (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; take away flowlines to the nearby central tank battery; and/or any lines associated with truck loading 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.

Construction: The following 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; 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, as well as stormwater management for the control of run-on and run-off to be sufficiently protective of nearby surface water.

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 to reduce fugitive dust and coating of vegetation and deposition in water sources.

COA 48 - Since oil and produced water storage tanks are not planned to be constructed on location, operator shall submit a scaled as-built drawing (plan view with distances) of this oil and gas location (showing wellheads, pumping jacks, onsite flowlines, offsite pipelines, and production facilities [separators, etc.]) and the nearby production facility location to which the oil and produced water will be sent to via underground pipelines (showing wellheads, onsite flowlines, offsite pipelines, pumping jacks, oil and produced water storage tanks, and other production facilities) within 30 calendar days of construction of the production equipment on either or both locations.

Drilling/Completions: The following COAs will apply:

COA 11 - A closed loop system must be implemented during drilling (as indicated on the Form 2 and Form 2A). All cuttings generated during drilling with oil based mud (OBM) must be segregated from water/bentonite based mud-(WBM-) generated drill cuttings and placed separately on the well pad. All OBM-generated drill cuttings must be kept in tanks/containers, or placed on a lined/bermed portion of the well pad; prior to disposition. The moisture content of any OBM-generated drill cuttings in a tank, cuttings containment area, 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 oil-based drilling mud and OBM-generated drill cuttings must be disposed of offsite per CDPHE rules and regulations. Any changes to drill cuttings management and disposal at this location will require submittal (via a Form 4 Sundry Notice) and approval of a Waste Management Plan detailing the changes (specifying cuttings characterization methods, cuttings management, amendment, and onsite disposal location[s]).

COA 12 - The moisture content of water/bentonite-based mud (WBM) generated cuttings during drilling of the surface casing intervals, that will be managed onsite, shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts.

COA 25 - Flowback and stimulation fluids must be sent to enclosed tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline storage vessel, or other open top containment 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 is required if operator constructs a sufficiently sized perimeter berm.

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.

Material Handling and Spill Prevention: The following COA will apply:

COA 45 - Operator shall pressure test pipelines (flowlines from wellheads to separators to tanks; pipelines from onsite separators to offsite storage tanks, and any temporary surface lines used for hydraulic stimulation and/or flowback operations) 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, and tested annually, unless agreed to by both parties that the flowlines can be managed under an approved COGCC variance.

SandRidge does not need to respond to this email unless you have questions or issues with any of these COAs, which are similar and/or identical to COAs placed on all well pads and central tank battery locations in Jackson County. The COGCC OGLA review task will be passed on 08-29-17, with the Form 2A and Form 2 being sent to final approval this week. 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



Colorado Oil & Gas Conservation Commission
Northwest Area Office
796 Megan Avenue, Suite 201
Rifle, CO 81650
FAX: (970) 625-5682
Cell: (970) 309-2514
dave.kubeczko@state.co.us | www.colorado.gov/cogcc

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08/02/17 - passed by CPW with operator submitted and operator agreed to (07-31-17) wildlife BMPs acceptable;
08/29/17 - Initiated / Completed OGLA Form 2A review by Dave Kubeczko;
08/29/17 - sent email to operator indicating that the following COAs will be placed on the Form 2A - notification, fluid containment and spill/release BMPs, sediment and dust control access road, cuttings containment and management, odor control, flowback to tanks only, adherence to flaring and venting policy, as-built drawing, and pipeline testing;
revised: Date planned to commence construction: from 08/01/2017 to 09/04/2017 and Estimated date that interim reclamation will begin: from 02/01/2018 to 03/04/2018;
corrected 'LOCATION IDENTIFICATION' Existing Ground Elevation from 8250' to 8251' based on survey data on the Multi-Well Plan attachment;
08/29/17 - passed OGLA Form 2A review by Dave Kubeczko with notification, fluid containment and spill/release BMPs, sediment and dust control access road, cuttings containment and management, odor control, flowback to tanks only, adherence to flaring and venting policy, as-built drawing, and pipeline testing COAs.