

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203
Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

401564768

Date Received:

03/08/2018

FIR RESOLUTION FORM

CA Summary:

3 of 3 CAs from the FIR responded to on this Form

1 CA Completed
2 Factual Review Request

OPERATOR INFORMATION

OGCC Operator Number: 10459
Name of Operator: EXTRACTION OIL & GAS INC
Address: 370 17TH STREET SUITE 5300
City: DENVER State: CO Zip: 80202

Contact Name and Telephone:

Name: _____

Phone: () Fax: ()

Email: _____

Additional Operator Contact:

Contact Name

Phone

Email

Jeff Rickard

720 737-5144

jrickard@extractionog.com

COGCC INSPECTION SUMMARY:

FIR Document Number: 682403324

Inspection Date: 02/14/2018

FIR Submit Date: 03/05/2018

FIR Status: _____

Inspected Operator Information:

Company Name: EXTRACTION OIL & GAS INC

Company Number: 10459

Address: 370 17TH STREET SUITE 5300

City: DENVER State: CO Zip: 80202

LOCATION - Location ID: 439079

Location Name: Kennedy Number: 18-D Pad County: _____

Qtrqr: NENE Sec: 18 Twp: 4N Range: 68W Meridian: 6

Latitude: 40.317732 Longitude: -105.038096

FACILITY - API Number: 05-123-00 Facility ID: 439079

Facility Name: Kennedy Number: 18-D Pad

Qtrqr: NENE Sec: 18 Twp: 4N Range: 68W Meridian: 6

Latitude: 40.317732 Longitude: -105.038096

CORRECTIVE ACTIONS:

1 CA# 114672

Corrective Action: Operator shall conduct interim reclamation activities immediately or at the first available revegetation timing window and prevent weed establishment on the topsoil stockpile.

Date: _____

Response: CA COMPLETED

Date of Completion: 03/08/2018

Operator Comment: Weed management (mowing) has taken place and will continue to take place through the life of the top soil stockpile. For starting interim reclamation activity, see response to CA 114673 below.

COGCC Decision: Not Approved

1) Interim reclamation has not been conducted. Factual review for interim reclamation is being denied.

COGCC
Representative:

2) Weed management (mowing) is a temporary Best Management Practice (BMP) and would not be considered sufficient for long-term protection and stabilization of topsoil under Rule 1002.c. Operator shall implement BMPs to prevent weed establishment and stabilize the topsoil stockpile for long-term stabilization. Seeding perennial vegetation is a BMP that would compete with the weedy vegetation and generally work to decrease weed growth. Seeding would also provide long-term stabilization. Seeding should be implemented for long-term protection and stabilization of topsoil. Conduct seeding operations the earliest favorable seeding opportunity and no later than April 15, 2018.

2  CA# 114673

Corrective Action: Operator shall conduct interim reclamation activities immediately or at the first available revegetation timing window per Rule 1003 standards.

Date: _____

Response: FACTUAL REVIEW REQUEST

Basis for Review: Corrective action dates are not attainable

Operator
Comment:

The last well TIL'ed at the facility (the Kennedy # 8) was completed on 6/21/2017. Extraction is mobilizing a drilling rig at the facility in July or August 2018, to drill remaining wells already permitted on the Kennedy Pad. Extraction will begin pad preparation—including site construction and facilities installation—for drilling those additional wells in May or June 2018.

Per rule 1003.b: "All disturbed areas affected by drilling or subsequent operations, except areas reasonably needed for production operations or for subsequent drilling operations to be commenced within twelve (12) months, shall be reclaimed as early and as nearly as practicable to their original condition." Additionally, the COGCC issued a Notice to Operators on 1/5/2017, entitled "Interim Reclamation Procedures for Delayed Operations." ("NTO") The NTO states that "subsequent drilling operations" include "the following activities: site construction, setting conductors, drilling, completion, hydraulic fracturing, flowback, drill-out and running of tubing, and facilities installation."

As such, Extraction will commence "subsequent drilling operations" within 12 months of drilling the most recent well, and has a reasonable need to maintain the pad without interim reclamation for the "subsequent drilling operations" described above. Note that Extraction has ensured the area in question has been compacted and otherwise stabilized and maintained in such a way as to minimize dust and erosion per Rule 1003.b. But as indicated above, neither Rule 1003.c. nor Rule 1003.e.(2) yet apply since interim reclamation has not commenced due to the forthcoming "subsequent drilling operations" described above.

COGCC Decision: **Not Approved**

COGCC
Representative:

Extraction is currently out of compliance with Rule 1003.b. Extraction does not have twelve months to conduct interim reclamation unless, at a minimum, Extraction has submitted a Form 4 Notice to delay interim reclamation with a drilling and fracking schedule for the additional wells.

All three drilled wells were completed and on production June 2014, with the last coming on production June 17, 2017 (API: 123-40295 Form 5A Document # 401336562); therefore, no ongoing operations were required for these wells. Interim reclamation should have been completed on or before December 17, 2017.

Notice to Operators: Interim Reclamation Procedures for Delayed Operations clearly states the following: A valid Form 2, Application for Permit to Drill, does not extend the time for commencing interim reclamation under Rule 1003 for either new or existing locations. Interim reclamation must commence within the time frames specified in Rule 1003 regardless of the duration of a Form 2.

COGCC
Supervisor:

Extraction is currently out of compliance with Rule 1003.b. Extraction does not have twelve months to conduct interim reclamation unless, at a minimum, Extraction has submitted a Form 4 Notice to delay interim reclamation with a drilling and fracking schedule for the additional wells.

All three drilled wells were completed and on production June 2014, with the last coming on production June 17, 2017 (API: 123-40295 Form 5A Document # 401336562); therefore, no ongoing operations were required for these wells. Interim reclamation should have been completed on or before December 17, 2017.

Notice to Operators: Interim Reclamation Procedures for Delayed Operations clearly states the following: A valid Form 2, Application for Permit to Drill, does not extend the time for commencing interim reclamation under Rule 1003 for either new or existing locations. Interim reclamation must commence within the time frames specified in Rule 1003 regardless of the duration of a Form 2.

3  CA# 114674

Corrective Action: Install or repair required BMPs per the Operator's own Stormwater Technical Drainage Analysis Memo.

Date: _____

Response: FACTUAL REVIEW REQUEST

Basis for Review: Corrective action dates are not attainable

The Technical Drainage Analysis Memo has not been approved by Staff, and submittal of the final plan is not

Operator Comment: required until four (4) weeks after the AOC has been approved by the Commission. Extraction received comments from Staff in January 2018, and Extraction has requested an opportunity to ask questions about those comments to ensure that unnecessary or duplicative work is not performed at the Kennedy Pad. But Extraction has not yet been given that opportunity, and is awaiting word from Staff to schedule that discussion. Riser pipes—if approved—will be incorporated into the reclamation plan. Currently, the sediment basins are being inspected and maintained in effective and operational condition, with adequate temporary erosion and sediment control measures installed at the outfall weirs. These basins are being inspected as a temporary sediment trap control measure. In any case, Extraction continues to wait for clarification from Staff on the various questions that arose from their comments.

COGCC Decision: **Not Approved**

COGCC Representative:

COGCC Supervisor:

Operator is not in compliance with COGCC stormwater regulations. Install BMPs following good engineering practices. Use professional engineered stamped Stormwater Technical Memorandum as guidance. It is understood through communication with parties that this plan was already implemented and completed. Complete occetive action within 10 business days. Submit field inspection resolution form with photos documenting corrective action completed.

OPERATOR COMMENT AND SUBMITTAL

Comment:

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Jeff Rickard

Signed:

Title: Regulatory Compliance Co

Date: 3/8/2018 12:42:36 PM

ATTACHMENT LIST

View Attachments in Imaged Documents on COGCC website (<http://ogccweblink.state.co.us/>) - Search by Document Number.

<u>Document Number</u>	<u>Description</u>
401564768	FIR RESOLUTION SUBMITTED
401567934	Weed mowing on stockpile has taken place.

Total Attach: 2 Files