

Kubeczko, Dave

From: Kubeczko, Dave
Sent: Friday, June 10, 2011 8:38 AM
To: Kubeczko, Dave
Subject: Genesis Gas & Oil LLC, Calamity Ridge 14-31 Pad, Lot 7 Sec 14 T1N R100W, Rio Blanco County, Form 2A #400153833 Review

Categories: Orange - Operator Correspondence

Scan No 2033864 CORRESPONDENCE 2A#400153833

From: Sheryl Myers [mailto:Sheryl@myersenergyservices.com]
Sent: Thursday, June 09, 2011 12:18 PM
To: Kubeczko, Dave
Cc: bbehner@genesisco.com
Subject: CRU 14-31 & 14-33

Dave,

Thanks for your time on the phone yesterday and today. Please feel free to call me if you have any questions or comments. 970-623-2833

Thank you for confirming that a C-DOW consult will not be necessary

Genesis Gas & Oil LLC is in concurrence with the COA's you presented for each well, and will make them part of their well file.

Shari
Myers Energy Services
Agent for Genesis Gas & Oil LLC

From: Kubeczko, Dave
Sent: Monday, May 30, 2011 10:09 AM
To: bbehner@genesisco.com
Subject: Genesis Gas & Oil LLC, Calamity Ridge 14-31 Pad, Lot 7 Sec 14 T1N R100W, Rio Blanco County, Form 2A #400153833 Review

Robert,

I have been reviewing the Genesis Gas & Oil Calamity Ridge 14-31 Pad **Form 2A** (#400153833). COGCC requests the following clarifications regarding the data Genesis Gas & Oil has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review. In addition, COGCC would like to attach the following conditions of approval (COAs) to the Form 2A.

1. **Consultation (Section 1):** Based on COGCC's review, this well pad location falls within a sensitive wildlife habitat (SWH) area and the COGCC's **1200 Series Rules – Protection of Wildlife Resources**, will apply. This location may require a consultation with the Colorado Division of Wildlife (CDOW).
2. **Water Resources (Section 14):** Form 2A indicates the distance to the nearest surface water is 290 feet. COGCC guidelines require designating all locations with close proximity to surface water (the exact distance varies with the location and takes into consideration soil type, surface geology, initial grade/topographic slope, the

grade/topographic slope adjacent to the location, vegetative cover, as well as other factors) a **sensitive area** and requiring the following condition of approval (COA):

COA 23 - Operator must ensure 110 percent 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 (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals, and maintained in good condition.

COA 46 - Due to the steep slopes to the southwest, this location is in an area of moderate to high run off/run on potential; therefore the pad shall be constructed as quickly as possible and appropriate BMPs need to be in place both during, after well pad construction completion, as well as during all drilling and well completion operations. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff.

COA 5 - Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.

3. **Water Resources (Section 14):** Form 2A indicates the depth to groundwater to be 3019 feet bgs for a well located over one mile away (5280 feet) from the proposed well pad. COGCC's review indicates there are two water wells, one (Permit No. 17492-Caldwell, stock well) located approximately 5.4 miles (28512 feet) to the east-northeast, with a total depth of 181 feet bgs, a depth to groundwater of 85 feet bgs, and a pumping rate of 8 gpm; and the other (Permit No. 11710-Kasdorf, domestic well) located approximately 6.9 miles (36432 feet) to the east-northeast, with a total depth of 200 feet bgs, a depth to groundwater of 20 feet bgs, and a pumping rate of 1 gpm. Both of these water wells are close to streams, just like this well pad. I believe these wells are indicative of groundwater conditions in the area and that the depth to groundwater at this location is likely to be between, 20 and 40 feet bgs. COGCC has changed the depth to groundwater to 30 feet bgs. COGCC guidelines require designating all locations with shallow groundwater a **sensitive area** and requiring the following condition of approval (COA):

COA 1 - Location may be in a sensitive area due to shallow groundwater; therefore, any pit constructed to hold fluids must be lined.

4. **Rule 303.d.(3).F.ii.aa and bb:** Since the current and future land uses are non crop land (rangeland), a reference area needs to be indicated on a topographic map and four (each of the cardinal directions) color photographs taken during the growing season of the reference area are required within 12 months of the Form 2A permit application date (04/29/2011). Another option would be to select a reference area immediately adjacent to the well pad location in one of the four cardinal directions and the following statement can be added to the **Section 15. Comments:** The reference area is located immediately adjacent to the well pad to the north on undisturbed land. I can make the change if you send me an email with this request.

5. **General:** In addition, the following conditions of approval (COAs) will also apply:

COA 25 - Flowback and stimulation fluids must be sent to tanks to allow the sand to settle out before the fluids can be placed into any pipeline or pit located on the well pad. The flowback and stimulation fluid tanks must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

COA 38 - The moisture content of any drill 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, if drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1.

COA 58 - Berms or other containment devices shall be constructed to be sufficiently impervious to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.

COGCC would appreciate your concurrence with attaching these COAs (items 2, 3, and 5) to the Form 2A permit prior to passing the OGLA review. The other issue (Item 4) also needs to be addressed prior to permit approval. In addition, could Genesis Gas & Oil provide COGCC with the COAs and wildlife stipulations that BLM has attached to this location. If you have any questions, please do not hesitate to call me at (970) 309-2514 (cell), or email. Thanks.

Dave