

Kubeczko, Dave

From: Kubeczko, Dave
Sent: Tuesday, January 17, 2012 3:17 PM
To: Kubeczko, Dave
Subject: FW: Resend of KGH Operating Company, Meagher 3-1H, Lot 7 Sec 3 T1S R104W, Rio Blanco County, Form 2A (#400227626) Review

Categories: Orange - Operator Correspondence

Scan No 2034128 CORRESPONDENCE 2A#400227626

Received verbal concurrence of COAs from KGH Operating Company's operations consultant, Joe Dyk at 970-250-9770, on January 10, 2012.

From: Kubeczko, Dave
Sent: Tuesday, January 10, 2012 9:03 AM
To: tkproduc@180com.net
Subject: FW: Resend of KGH Operating Company, Meagher 3-1H, Lot 7 Sec 3 T1S R104W, Rio Blanco County, Form 2A (#400227626) Review

From: Kubeczko, Dave
Sent: Tuesday, December 27, 2011 8:46 AM
To: tkproduc@180com.net
Subject: KGH Operating Company, Meagher 3-1H, Lot 7 Sec 3 T1S R104W, Rio Blanco County, Form 2A (#400227626) Review

Thomas,

I have been reviewing the Meagher 3-1H **Form 2A** (#400227626). COGCC requests the following clarifications regarding the data KGH Operating 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) based on the information on the Form 2A prior to passing this Form 2A.

1. **Water Resources (Section 14):** Form 2A indicates the distance to the nearest surface water is 2700 feet. COGCC's rules state that the distance to the nearest surface water should reflect intermittent (this includes ephemeral streams, irrigation ditches, drainages), as well as, perennial streams. COGCC's review of the USGS map and 2009 aerial photograph indicates there is an intermittent drainage located approximately 1340 feet to the east. I can make the change if you send an email with this request.
2. **General:** The following conditions of approval (COAs) will apply:
 - 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 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.
 - COA 25** - Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment 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, or to be recycled and used offsite, the drill cuttings must also meet the applicable standards of table 910-1.

COGCC would appreciate your concurrence with attaching these COAs (item 2) to the Form 2A permit prior to passing the OGLA review. The other issue (item 1) also needs to be addressed prior to permit approval. 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
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