

Kubeczko, Dave

From: Kubeczko, Dave
Sent: Friday, June 01, 2012 12:19 PM
To: Kubeczko, Dave
Subject: FW: SG Interests I, Henderson-611S90W#9 SWNW Pad, SWNW Sec 9 T11S R90W, Gunnison County, Form 2A (#400256030) Review

Categories: Orange - Operator Correspondence

Scan No 2034380 CORRESPONDENCE 2A#400256030

COGCC has made the requested text change to COA 25.

From: Catherine Dickert [<mailto:cdickert@sginterests.com>]
Sent: Thursday, May 31, 2012 3:29 PM
To: Kubeczko, Dave
Subject: RE: SG Interests I, Henderson-611S90W#9 SWNW Pad, SWNW Sec 9 T11S R90W, Gunnison County, Form 2A (#400256030) Review

Dave,

We agree to the COAs below for the Federal 11-90-9 #3 Form 2A.

Thank you.
Catherine

From: Kubeczko, Dave [<mailto:Dave.Kubeczko@state.co.us>]
Sent: Thursday, May 31, 2012 11:26 AM
To: Catherine Dickert
Subject: RE: SG Interests I, Henderson-611S90W#9 SWNW Pad, SWNW Sec 9 T11S R90W, Gunnison County, Form 2A (#400256030) Review

Catherine,

COGCC agrees to the proposed revision for COA 25. In addition, based on comments from the Gunnison County Local Governmental Designee (LGD) concerning the proximity of the pad and access road to Henderson Creek, the COGCC would like to apply the following additional COAs:

COA 44 - The access road will be constructed to prevent sediment migration from the access road to nearby surface water or any drainages leading to other nearby surface waters.

COA WR9 - Water Testing: Prior to drilling, operator shall sample the two (2) closest domestic water wells, springs, or surface water features within a one (1) mile radius of the proposed oil and gas location. Testing preference shall be given to domestic water wells and springs over surface water. Testing of surface water features shall only be conducted if two (2) water wells or springs do not exist within a one (1) mile radius of the selected oil and gas location. If possible, the water wells or springs selected should be on opposite sides of the oil and gas location not exceeding a one (1) mile radius. If water wells or springs on opposite sides of the oil and gas location cannot be identified, then the two (2) closest wells or springs within a one (1) mile radius of the oil and gas location shall be sampled. The sample location shall be surveyed in accordance with Rule 215.

Based on COGCC's review of nearby water wells and surface water; COGCC suggests that a water well located approximately 6472 feet to the west-southwest of the proposed well pad (Permit No. 266485 - - Hachenberry, James R, domestic/stock well; with a total depth of 6 feet bgs and a pumping rate of 15 gpm) and Henderson Creek immediately to the south, be the two locations for this sampling. If sampling of this water well is not feasible or possible, the operator may suggest other wells/locations as appropriate. Initial baseline testing shall include laboratory analysis of, at a minimum, all major cations and anions, total dissolved solids, iron and manganese, nutrients (nitrates, nitrites, selenium), dissolved methane, pH, specific conductance, and benzene, toluene, ethylbenzene, and xylenes ("BTEX"). Sampling shall be performed by qualified individuals using methods consistent with commonly accepted environmental sampling procedures. Field observations such as pH, temperature, specific conductance, odor, water color, sediment, bubbles, and effervescence shall also be included. The operator may also analyze for all constituents in Table 910-1 for consistency of previous sampling events.

After 90 days, but less than 180 days of completion of the first proposed well a "post-completion" test shall be performed for the same analytical parameters listed above and repeated one (1), three (3) and six (6) years thereafter. If no significant changes from the baseline have been identified after the third test (i.e. the six-year test), no further testing shall be required. Additional "post-completion" test(s) may be required if changes in water quality are identified during follow-up testing. The Director may require further water well sampling at any time in response to complaints from water well owners.

If free gas or a methane concentration level greater than 1 mg/l is detected in a water quality testing well, gas compositional analysis, and stable isotopes of both the carbon and hydrogen isotopes of methane shall be performed to determine gas type (thermogenic, biogenic or a mixture).

Copies of all test results described above shall be provided to COGCC and the landowner where the water quality testing well is located within three (3) months of collecting the samples used for the test. The analytical data and surveyed well locations shall also be submitted to the COGCC in an electronic data deliverable format.

COGCC would appreciate your concurrence with attaching these COAs to the Form 2A permit prior to passing the OGLA review. 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

Colorado Oil & Gas Conservation Commission
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 *Please consider the environment before printing this e-mail*

From: Catherine Dickert [<mailto:cdickert@sginterests.com>]

Sent: Wednesday, May 16, 2012 1:41 PM

To: Kubeczko, Dave

Subject: RE: SG Interests I, Henderson-611S90W#9 SWNW Pad, SWNW Sec 9 T11S R90W, Gunnison County, Form 2A (#400256030) Review

Dave,

Our production super and engineer have expressed concerns about applying COA 25 as we worded it for the Eck and Hughes wells to the Federal 11-90-9 #3 and Federal 12-89-7 #1. For these two wells would you consider this revision to 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 entire level pad will be surrounded by a berm with a drainage ditch constructed interior to that berm in order to contain any potential release on the well pad. The berm is approximately 2 ½ feet in height around the pad except at the access road entrance where a culvert is located. Any fluid in the interior drainage ditch would be contained in the ditch and culvert until clean up. During fracturing operations, the site will be manned 24-hours per day so that any leak or spill can be quickly identified and dealt with. Tanks will be set on compacted earth to decrease the permeability of the soil.

Let me know if this language is acceptable or if we need to work on it some more. Thank you.

Catherine

Catherine Dickert

Environmental and Permitting Manager

SG Interests, I Ltd

From: Kubeczko, Dave [<mailto:Dave.Kubeczko@state.co.us>]

Sent: Monday, May 07, 2012 12:15 PM

To: Catherine Dickert

Subject: SG Interests I, Henderson-611S90W#9 SWNW Pad, SWNW Sec 9 T11S R90W, Gunnison County, Form 2A (#400256030) Review

Catherine,

I have been reviewing the Henderson-611S90W#9 SWNW Pad **Form 2A** (#400256030). COGCC would like to attach the following conditions of approval (COAs) based on the data SG Interests I has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

1. **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 46 - The surface soils and materials are fine-grained and highly unconsolidated; therefore appropriate BMPs need to be in place 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.

COA 7 - There is the potential for shallow groundwater; therefore either a lined drilling pit or closed loop system must be implemented.

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.

COA 39 - No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

COA 49 - The drilling (reserve) pit must be fenced and netted. The operator must maintain the fencing and netting until the pit is closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.

COA 26 - Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us), the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us), and the COGCC Field Inspector for Mesa Delta, and Gunnison Counties (Chuck Browning; email chuck.browning@state.co.us) 48 hours prior to start of pad construction, pit liner installation, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

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 entire level pad will be surrounded by a berm with a drainage ditch constructed interior to that berm in order to contain any potential release on the well pad. The berm is approximately 2 ½ feet in height around the pad except at the access road entrance where a culvert is located. Any fluid in the interior drainage ditch would be contained in the ditch and culvert until clean up. During fracturing operations, the site will be manned 24-hours per day so that any leak or spill can be quickly identified and dealt with. Tanks will be set on compacted earth to decrease the permeability of the soil.**

COA 11 - Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface pipelines or reconfiguration of the permanent pipeline network.

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 to the Form 2A permit prior to passing the OGLA review. **In addition, could SG Interests I provide COGCC with the COAs and wildlife stipulations that BLM/FS 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

David A. Kubeczko, PG
Oil and Gas Location Assessment Specialist

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