



May 31, 2012

Alex Fischer, P.G.
Environmental Supervisor
Colorado Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, CO 80203

Re: Oxy and WPX Receiving Operator COA Response

Dear Mr. Fischer,

Thank you for your assistance in the approval of the OXY USA WTP LP and WPX Energy Rocky Mountain, LLC Transfer Plan. Below you will find Oxy's receiving operator COA response:

COA- APPROVAL OF THIS PLAN IS CONTINGENT UPON ANALYTICAL LABORATORY RESULTS FOR REPRESENTATIVE SAMPLES OF OXY USA A WTP LP (Oxy) FLOWBACK WATER FROM LOCATION IDs: 414404; 414403 and 414402 and WPX Location IDs 422272 and 422267

RESULTS SHALL BE SUBMITTED TO THE COGCC WITHIN 45 DAYS OF APPROVAL OF THIS PLAN. ANALYTICAL LABORATORY ANALYSIS SHALL INCLUDE:

- VOLATILE ORGANIC COMPOUNDS EPA METHOD 624 (GC/MS)
- SEMI-VOLATILE ORGANIC COMPOUNDS EPA METHOD 625 (GC/MS)
- DISSOLVED METALS EPA METHOD 200.7 (ICP)
- DISSOLVED INORGANICS (NON-METALS) EPA METHOD 300.0 (IC)
 - Br,Cl,F,Nitrate/Nitrite, Sulfate
- GENERAL WATER QUALITY PARAMETERS
 - SPECIFIC CONDUCTANCE EPA METHOD 300.0 (IC)
 - HARDNESS EPA METHOD 130.1
 - TOTAL DISSOLVED SOLIDS EPA METHOD 160.1
 - pH EPA METHOD 150.2
 - ALKALINITY EPA METHOD 310.1
- GROSS ALPHA AND BETA RADIOACTIVITY EPA METHOD 900.1

[Oxy will provide the required analytical results within 45 days of the initial water transfer.](#)

COA – IF LOCATIONS ARE IN A SENSITIVE AREA BECAUSE OF ITS PROXIMITY TO SURFACE WATER OPERATOR MUST ENSURE 110 PERCENT SECONDARY CONTAINMENT FOR ANY VOLUME OF FLUIDS CONTAINED AT THE WATER HANDLING FACILITY SITE DURING NATURAL GAS DEVELOPMENT ACTIVITIES AND 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 (AT LEAST EVERY 14 DAYS), AND MAINTAINED IN GOOD CONDITION.

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This project is not situated within a sensitive area. All three (3) Oxy locations are covered under an active SPCC Plan.

COA - OPERATOR MUST IMPLEMENT BEST MANAGEMENT PRACTICES TO CONTAIN ANY UNINTENTIONAL RELEASE OF FLUIDS, INCLUDING ANY FLUIDS CONVEYED VIA TEMPORARY SURFACE PIPELINES.

Oxy will utilize appropriate BMP's for all pipelines and ponds approved under this plan to contain any unintentional release of fluids.

COA - OPERATOR SHALL PROVIDE OVERFLOW PROTECTION FOR EACH TANK PROPOSED IN THE FACILITY PLANS, IF TANKS ARE USED.

The approved transfer will not utilize tanks. All Oxy ponds under this plan are improved with high level alarms allowing remote monitoring of pond levels.

COA- PROVIDE THE ANTICIPATED DURATION OF DELIVERY OF FLUIDS BY OXY AND WPX BY JUNE 1, 2012.

The anticipated duration of transfer is approximately 90 days.

COA - SHOULD THE OPERATION OF THIS FACILITY CONTINUE MORE THAN ONE YEAR, A FORM 28 SHALL BE SUBMITTED AND APPROVED BEFORE THE ONE-YEAR ANNIVERSARY DATE OF THE FIRST USE OF THE TRANSFER FACILITY/LOCATION.

Oxy would like to discuss this condition of approval with your office at a later date.

COA-TERMINATION OF ACITIVITES: BOTH OXY AND WPX SHALL NOTIFY THE COGCC VIA SUNDRY IMMEDIATELY UPON TERMINATION OF ACTIVITIES.

Oxy will provide notice of termination activities via sundry upon completion of transfer activities.

COA-OXY AND WPX WILL EACH SEPERATELY SUBMIT AN ANNUAL REPORT TO THE COGCC SUMMARIZING THE TRANSFER OF PRODUCTION WATER (BOTH AS TRANSFER AND RECEIVING OPERATOR) DURING THE CALENDAR YEAR AND INCUDING LABORATORY ANALYTICAL RESULTS FOR REPRESENTATIVE SAMPLE(S) OF THE PRODUCTION WATER PROVIDED AS THE TRANSFER/RECIEVER. THE ANNUAL REPORT SHALL BE SUBMITTED ON OR BEFORE THE ANNIVERSAY OF THE FIRST DATE OF TRANSFER.

An annual report will be provided prior to the anniversary of the first date of transfer.

COA- PROVIDE MAPS OF THE PIPELINE DISTRUBUTION SUSTEM(S) FROM WPX Location IDs 422272 and 422267 AND TO LOCATIONS 335643 AND 423240 BY JUNE 1, 2012.

See attached map

COA- PROVIDE A DESCRIPTION OF THE MANIFOLD BETWEEN OXY AND WPX CUSTODY TRANSFER POINT AND WHAT SAFE GUARDS ARE IN PLACE TO PRVETN BACKFLOW OR DISCHARGE INTO THE WORNG DISTRIBUTION SYSTEM BY JUNE 1, 2012.

The manifold at the custody transfer location is 4-inch schedule 80 welded pipe. Valves are utilized to prevent backflow and discharge into the wrong distribution system.

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COA- PROVIDE PRECAUTIONS/SECONDARY CONTAINMENT THAT WILL BE INPLACE FOR BOTH BELOW GRADE AND ABOVE GRADE PIPELINES AS THEY CROSS STREAMS, SENSITIVE AREAS, OR ALONG SENSITIVE AREAS. INCLUDE SPECIFIC BMPs BY JUNE 1, 2012.

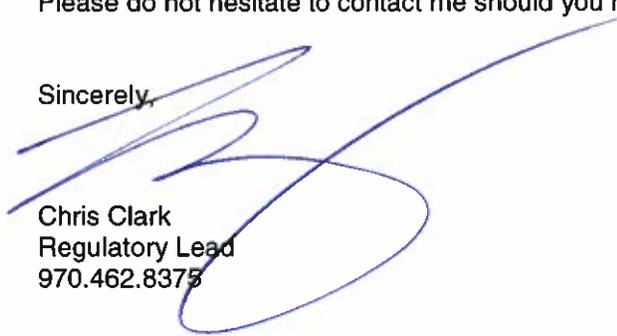
Oxy's pipelines associated with this plan do not cross streams or sensitive areas. However, pipelines are covered under Oxy's current SPCC Plan and the associated Oil Spill Contingency Plan. The Oil Spill Contingency Plan details that Oxy has the technical and financial capabilities to respond to an unintentional release.

COA-PROVIDE FREQUENCY OF PIPELINE INTERGRITY TESTING FOR BOTH BELOW GRADE AND ABOVE GRADE PIPELINES BY JUNE 1, 2012.

- Above grade frac lines leading to well pads where the water received from WPX were pressure tested to 9500psi for 4 hours.
- Subsurface line between Oxy's Pond G and the remote fracing facility at 604-1 is a 6-inch steel line pressure tested in 2007. The steel pipeline has been lined to reduce the potential of corrosion.
- Subsurface line from the Pond 13 E/W complex to the remote fracing facility at 604-1 were pressure tested to 1850 for 8 hours.
- All lines tested adequately and were placed into service after testing.

Please do not hesitate to contact me should you have any questions regarding the response narratives.

Sincerely,



Chris Clark
Regulatory Lead
970.462.8375

Enclosure: Pipeline Figure

Pipelines

- WPX Water Line
- Oxy Water Distribution Pipeline
- Above Grade Temporary Water Lines
- 604-1 to 697-16-28
- 604-1 to 697-04D

697-04D pad

604-1 Remote facing facility

Pond 13 EW

Approximate Location
Lat = 39.541631°
Long = -108.231430°

Pond G

697-16-28
and Annex Pad