

Kubeczko, Dave

From: Kubeczko, Dave
Sent: Thursday, June 28, 2012 4:57 PM
To: Kubeczko, Dave
Subject: FW: Black Hills Plateau Production, Winter Flats 10-43-99, NESE Sec 10 T9S R99W, Mesa County, Form 2A (#400287592) Review

Categories: Orange - Operator Correspondence, Brown - 2A Review Email to Operator

Scan No 2034428 CORRESPONDENCE 2A#400287592

From: Kubeczko, Dave
Sent: Friday, June 15, 2012 2:36 PM
To: 'Donahue, Jessica'
Subject: RE: Black Hills Plateau Production, Winter Flats 10-43-99, NESE Sec 10 T9S R99W, Mesa County, Form 2A (#400287592) Review

Jessica,

Please see my responses below.

From: Donahue, Jessica [<mailto:Jessica.Donahue@blackhillscorp.com>]
Sent: Thursday, June 14, 2012 8:08 AM
To: Kubeczko, Dave
Subject: RE: Black Hills Plateau Production, Winter Flats 10-43-99, NESE Sec 10 T9S R99W, Mesa County, Form 2A (#400287592) Review

Dave,

I would just like some clarification before we commit to anything.

COA 47 – Why do I need to install a leak detection system? That's never been requested before.
Based on further review, COGCC will not require a leak detection system. COA has been removed.

COA 22/67 – Similar to my question above, this seems above and beyond what is usually asked of us. Is it because the pit is being constructed in some fill? We had to place the pit where is it out of necessity to avoid the original drilling pit location. **Black Hills will have a separate tank for freshwater. Prior to filling this tank, Black Hills can place the freshwater into the pit and hydrotest. Hydrotesting has been required for all produce water, flowback water, multi-well pits in western Colorado. COGCC is requesting some clarification as to how long the flowback pit will be in service.**

COA 27 – I don't understand. If we are to remove any liquids to be disposed of in an existing Black Hills operated injection well, I need to sundry that? It wouldn't qualify under our existing permissions for that well? **The Form 15 indicates that the water will be reused/recycled. It does not mention that it will be disposed of at an injection well. If Black Hills' plan is to inject it, then I can amend the Form 15 to indicate that. COA 27 states that if disposal of the pit liquids changes from the method indicated on the Form 15, then a Sundry is needed to track the pit liquids.**

COA 90 – who do I submit the Form 42 to? And I just email that in 48 hours before we plan to start? Do I submit a form for each event (pit liner installation, frac, etc)? **This is an electronic form on our website and only needs to be filled in and submitted electronically. The proper individuals at the COGCC will be automatically notified. This new Form 42 became active in April 2012.**

Thanks,

Jessica Donahue
Regulatory Technician
Black Hills Exploration and Production
1515 Wynkoop St.
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Denver, CO 80202
Phone: 720-210-1333
Cell: 303-888-4862

From: Kubeczko, Dave [<mailto:Dave.Kubeczko@state.co.us>]
Sent: Wednesday, June 13, 2012 3:54 PM
To: Donahue, Jessica
Subject: Black Hills Plateau Production, Winter Flats 10-43-99, NESE Sec 10 T9S R99W, Mesa County, Form 2A (#400287592) Review

Jessica,

I have been reviewing the Winter Flats 10-43-99 Pad **Form 2A** (#400287592). COGCC will attach the following conditions of approval (COAs) based on the data Black Hills 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 5** - Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via buried or temporary surface pipelines.
 - COA 90** - Notify COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of construction of the pit, pit liner installation, and start of fracing operations (via Form 42).
2. **Form 15 Pit Permit COAs:** The following conditions of approval (COAs) will apply to both the Form 2A and the Form 15 Pit Permit:
 - COA 26** - Notify COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of construction of the pit, pit liner installation, and start of fracing operations (via Form 42).
 - COA 47** - The completions pit must be double-lined. The pit will also require a leak detection system (Rule 904.e).
 - COA 48** – Based on the cross-sections, a portion of the pit berm wall will be in fill; therefore, operator must submit as-built drawings (plan view and cross-sections) of the completion pit within 14 calendar days of construction.
 - COA 22** - After installation of the uppermost liner and prior to operating the pit, the synthetic liner(s) shall be tested by filling the pit with at least 70 percent of operating capacity of water, measured from the base of the pit (not to exceed the 2-foot freeboard requirement). The operator shall monitor the pit for leaks for a period of 72 hours prior to draining the pit and commencing operations. The leak detection system must also be monitored during the entire test. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) 48 hours prior to

start of the hydrotest. Hydrotest monitoring results must be maintained by the operator for the life of the pit and provided to COGCC prior to using the pit.

COA 67 - In lieu of conducting an initial hydrostatic test of the pit, the operator can monitor fluid levels in the pit continuously using a minimum of two pressure transducers located at the upgradient and downgradient ends of the pit (based on the original topographic profile). These pressure transducers should be linked to the operator's SCADA system such that they can be remotely monitored. In addition, the pit liner will be marked at the two foot freeboard depth line so that operations personnel (as well as COGCC inspectors) can easily verify that the required fluid free board is being maintained. The electronically collected water level measurement data shall be used to confirm changes in pit inflow and outflow during operations based on estimates from truck and/or pipeline delivery or removal activities. Any abnormalities that are noticed during operations will be reported to the operator's field supervisor immediately so that any necessary follow-up can be scheduled.

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 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 - For pits containing fluids other than freshwater only; the pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.

COA 27 - Submit additional disposal facilities (wells, pits, etc.), if necessary (i.e., if original disposal option changes), for pit liquid contents to COGCC via a Form 4 Sundry prior to disposal.

COA 91 - At the time of pit closure, operator must submit disposal information for solids, if necessary, via a Form 4 Sundry Notice to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us). The disposal method will need to be approved prior to operator starting pit closure.

COGCC would appreciate your concurrence with attaching these COAs to the Form 2A permit and Form 15 Earthen Pit 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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707 Wapiti Court, Suite 204
Rifle, CO 81650
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