

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Thursday, June 13, 2013 6:52 AM
To: dave.kubeczko@state.co.us
Subject: FW: Kinder Morgan CO2 CO LP, YF 4 Pad, Lot 7 (NENW) Sec 3 T37N R18W, Montezuma County, Form 2A (#400401464) Review

Scan No 2106633 CORRESPONDENCE 2A#400401464

From: "Clayton, Bob" <Bob_Clayton@kindermorgan.com<mailto:Bob_Clayton@kindermorgan.com>>
Date: June 10, 2013, 9:19:32 AM MDT
To: "Antipas, Andrew" <Andrew_Antipas@kindermorgan.com<mailto:Andrew_Antipas@kindermorgan.com>>
Cc: "Bryant, Coy" <Coy_Bryant@kindermorgan.com<mailto:Coy_Bryant@kindermorgan.com>>, 'Carolyn Dunmire' <dunmire@ecosphere-services.com<mailto:dunmire@ecosphere-services.com>>
Subject: FW: Kinder Morgan CO2 CO LP, YF 4 Pad, Lot 7 (NENW) Sec 3 T37N R18W, Montezuma County, Form 2A (#400401464) Review

These are fine by KM. / bob

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Sunday, June 09, 2013 9:54 PM
To: Carolyn Dunmire
Cc: Clayton, Bob
Subject: Kinder Morgan CO2 CO LP, YF 4 Pad, Lot 7 (NENW) Sec 3 T37N R18W, Montezuma County, Form 2A (#400401464) Review

Carolyn,

I have been reviewing the YF 4 Pad **Form 2A** (#400401464). COGCC would like to attach the following conditions of approval (COAs) based on the information submitted by Kinder Morgan on the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Construction (Section 6): The box answering the question will salt (>15,000 ppm TDS Cl) or oil based muds (OBM) be used? has been marked **Yes**; therefore the following conditions of approval (COAs) will apply:

COA 11 - A closed loop system (which operator has indicated on the Form 2A) must be implemented during drilling. All cuttings generated during drilling with OBM/high chloride mud must be kept in containers or on a lined/bermed portion of the well pad; prior to analysis and/or offsite disposal.

COA 38 - The moisture content of any drill cuttings in a cuttings area or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts.

General: The following conditions of approval (COAs) will apply:

COA 91 - Notify the COGCC 48 hours prior to start of pad construction, 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 5 - Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines

COA 23 - Operator must ensure 110 percent secondary containment for any volume of fluids contained at well site during drilling and completion operations (as shown on the Proposed BMPs attachment) ; 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.

COA 25 - If the well is to be hydraulically stimulated, then flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permit has been submitted/approved) 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 45 - Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service.

COA 49 - All personnel must be H₂S trained and proper air monitoring for H₂S must be implemented during drilling, completion, and production operations. Emergency response plan for H₂S must be onsite at all times.

Groundwater Baseline Sampling: Since this well is considered to be a wildcat/exploratory well, the following COA will also apply:

COA 9 - Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.

Based on the information provided in the Form 2A by Kinder Morgan, COGCC will attach these COAs to the Form 2A permit, Kinder Morgan (EcoSphere Services) does not need to respond, unless you have questions or concerns with details in this email. These COAs are the same that were recently placed on the YA, YB, YG, HA, HB, and HE pad locations in Montezuma County. If you have any questions, please do not hesitate to call me at [\(970\) 309-2514](tel:9703092514) (cell), or email. Thanks.

Dave

David A. Kubeczko, PG
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Western Colorado

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