

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, July 23, 2013 6:35 PM
To: dave.kubeczko@state.co.us
Subject: FW: EnCana Oil & Gas (USA) INC, North Parachute UWF D03 596 Multi-Well Pit/Frac Pad Site, NWNW Sec 3 T5S R96W, Garfield County, Form 2A#400439151 and Form 15#400439901 Reviews

Categories: Operator Correspondence

Scan No 2106710 CORRESPONDENCE 2A#400439151

From: Carter, Julia M [mailto:Julia.Carter@encana.com]
Sent: Thursday, July 11, 2013 4:12 PM
To: 'Dave Kubeczko - DNR'
Subject: RE: EnCana Oil & Gas (USA) INC, North Parachute UWF D03 596 Multi-Well Pit/Frac Pad Site, NWNW Sec 3 T5S R96W, Garfield County, Form 2A#400439151 and Form 15#400439901 Reviews

Hi Dave,

Encana accepts the COA's listed below for the Form 2A and the Form 15.

Thank you,

Julia Carter
720.876.5240

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Monday, July 08, 2013 4:47 PM
To: Carter, Julia M
Subject: EnCana Oil & Gas (USA) INC, North Parachute UWF D03 596 Multi-Well Pit/Frac Pad Site, NWNW Sec 3 T5S R96W, Garfield County, Form 2A#400439151 and Form 15#400439901 Reviews

Julia,

I have been reviewing the North Parachute UWF D03 596 Multi-Well Pit/Frac Pad Site **Form 2A** (#400439151) and N. Parachute UWF D03596 **Form 15** (#400439901). COGCC would like to attach the following conditions of approval (COAs) based on the information and data EnCana has submitted on or attached to the Form 2A and the Form 15s prior to passing the Oil and Gas Location Assessment (OGLA) review.

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

COA 91 - Notify the COGCC 48 hours prior to start of multi-well pit/frac pad construction, pit liner installation, start of hydrostatic test, 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 at the pit location, as well as any fluids conveyed via temporary surface or buried permanent pipelines.

COA 23 - Operator must ensure secondary containment for any volume of fluids contained at pit/frac pad site during operations (as shown on the Construction Layout Drawings 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 pit/frac pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.

COA 76 - Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

COA 24 - Operator shall stabilize exposed soils and slopes as an interim measure during pit operations at this site.

COA 25 - Flowback and stimulation fluids from the wells/pads being completed using this pit (if applicable) 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 Permitted 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 58 - Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.

COA 6 - Additional containment shall be required where temporary or permanent pumps and other necessary equipment or chemicals are located.

COA 74 - Operator will use adequately sized containment devices for all chemicals and/or hazardous materials stored or used on location.

COA 40 - Operator will implement measures to ensure that adequate separation of hydrocarbons from the influent occurs to prevent accumulation of oil on the surface of stored completions fluids. Operator shall also employ a method for monitoring buildup of phase-separated hydrocarbons on the surface of stored fluids.

COA 41 - No oil is permitted on the surface of pit fluids.

Form 15 Earthen Pit Permit: The following conditions of approval (COAs) will apply to both the Form 2A and the Form 15 Pit Permit:

COA 47 - The multi-well pit must be double-lined. The pit will also require a leak detection system (Rule 904.e).

COA 66 - Delivery and vacuum truck hoses will not be allowed to be placed directly onto the pit liner. Operator will construct a loading/unloading station located next to the pit, to deliver fluids to or remove fluids from the pit by truck. The loading/unloading station shall be designed and utilized to prevent hoses from being dropped into the pits and dragged over the liner, which could lead to liner damage. The loading/unloading station will be the only permitted access for manual fluids transfers to or from the pit. Vehicles will not be allowed to approach the pit any closer than the loading/unloading station. Each station will have a catch basin in case a leak occurs while operations personnel are connecting or disconnecting hoses. Signs clearly marking the truck loading/unloading station shall be provided and maintained by the operator.

COA 61 - Operator must submit a professional engineer (PE) approved/stamped as-built drawing (plan view and cross-sections) of the multi-well pit within 30 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 either draining the pit or commencing operations. 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 (via Form 4 Sundry to Dave Kubeczko; email dave.kubeczko@state.co.us) .

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 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 40 - The nearby downgradient hillside below the pit location must be periodically monitored for any day-lighting of fluids throughout pit operations.

COA 59 - The multi-well pit must be fenced and netted. The operator must maintain the fencing and netting until the pit is closed.

COA 32 - Surface water samples (one upgradient and one downgradient from the multi-well pit location) from the unnamed intermittent stream located approximately 1065 feet to the west of the location (if water is present), shall be collected prior to pit use and every 12 months (until pit closure) to evaluate potential impacts from pit operations. At a minimum, the surface water samples will be analyzed for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/TPH.

COA 18 - The operator shall submit, and receive approval of, a reuse and recycling plan per Rule 907.a.(3), prior to any offsite reuse/recycling of pit fluids.

COA 27 - The multi-well pit shall be closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels; with an approved Site Investigation and Remediation Workplan, Form 27. The operator shall submit a Form 27 for COGCC review and approval prior to commencing pit closure activities. The operator shall also submit a Notice of Completion for COGCC review and approval within 30 days of concluding pit closure activities.

COA 19 - This multi-well pit will comply with **Rule 902. PITS - GENERAL AND SPECIAL RULES**. e. Pits used for a period of no more than three (3) years for storage, recycling, reuse, treatment, or disposal of E&P waste or fresh water, as applicable, may be permitted in accordance with **Rule 903** to service multiple wells.

COA 29 - Should the operation of this facility continue more than three years, a Form 28 shall be submitted and approved prior to the expiration of the Form 2A and Form 15.

Temporary Surface Pipelines: The following conditions of approval (COAs) will apply to both the Form 2A and the Form 15 Pit Permit if any temporary surface pipelines (poly or steel) are used during operations at the pit location or nearby well pads:

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

COA 48 - Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.

COA 49 - Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface poly pipeline routes for leaks during active transfer of fluids. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance during pipeline monitoring. The operator shall maintain records of inspections, findings and repairs, if necessary, for the life of the pits.

COA 54 - Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all sensitive area crossings, including, but not limited to stream, intermittent stream, ditch, and drainage crossings.

COA 55 - Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.

COGCC would appreciate your concurrence with attaching the COGCC COAs to the Form 2A permit prior to passing the OGLA review. These COAs will also become part of the Form 28 Permit. 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
Western Colorado

Colorado Oil & Gas Conservation Commission
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