

Dave Kubeczko - DNR

To: dave.kubeczko@state.co.us
Subject: SG Interests I LTD, Buck Creek 12-89-5 #1 Pad, SWNE Sec 5 T12S R89W, Gunnison County, Form 2A (#400383181) Review

Scan No 2106714 CORRESPONDENCE 2A#400383181

From: Kubeczko - DNR, Dave [mailto:dave.kubeczko@state.co.us]
Sent: Monday, August 12, 2013 3:05 PM
To: Catherine Dickert
Cc: Eric Sanford
Subject: Re: Buck Creek COA 50 suggested edit

Catherine,

The wording to COA 50 works for me.

If you have any question, please call me on my cell phone at (970) 309-2514, or email me. Thanks.

Dave

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

Colorado Oil & Gas Conservation Commission
Northwest Area Office
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On Mon, Aug 12, 2013 at 8:01 AM, Catherine Dickert <cdickert@sginterests.com> wrote:
Dave,

Would you consider the following COA 50 rather than the original for the Buck Creek 12-89-5 #1 Form 2A?

COA 50 - Because of proximity of the well pad to nearby scenic Highway 133, operator shall utilize visual mitigation techniques such as berms, fences, vegetation, and other measures to lessen the visual impact for motorists along the highway. Any permit requirements from the state agencies regulating the scenic by-ways will need to be received prior to any construction activities. Copies of any permits shall be sent via a Form 4 Sundry to COGCC.

Here's the original:

COA 50 - Because of proximity of the well pad to nearby scenic Highway 133, operator shall utilize berms, fences, vegetation, and other measures (low profile tanks painted to match surrounding area) to lessen the visual impact for motorists along the highway. Any permit requirements from the state agencies regulating the scenic by-ways will need to be received prior to any construction activities. Copies of any permits shall be sent via a Form 4 Sundry to COGCC.

Thank you.
Catherine

From: Eric Sanford
Sent: Friday, August 09, 2013 4:30 PM
To: Kubezcko, Dave
Cc: Catherine Dickert
Subject: Buck Creek 12-89-5 #1 COGCC CDOT Landowner package

Dave,

As discussed previously, SG acknowledges that this location is within close proximity to the West Elk Loop portion of the Colorado Scenic Byway on Highway 133.

On June 25 I sent the attached letter to CDOT as a surface owner within 500' of the location. I am unaware of whether or not CDOT responded by mailing the self addressed, stamped postcards (see page 25 of attached document) included in the packet I sent. If CDOT has contacted COGCC, please let me know.

I am further unaware of any specific regulation or rules related to oil and gas operations within this proximity of a Scenic Byway. SG is willing to consider all reasonable visual mitigations for any significant long term visual impact this location might have in relation to the Scenic Byway. But again, SG is unaware of specific standards that might apply to making such calculations of impact. SG will also be seeking a permit from CDOT for the construction and use of a new highway access for this location.

Please let me know if I can provide any further useful comment or information related to this location in regards to the Scenic Byway issue.

Thanks,

Eric Sanford

Operations and Land Manager

SG Interests I, Ltd.

1485 Florida Road, Suite C 202
Durango, CO 81301

[\(970\) 385-0696](tel:(970)385-0696) office
[\(970\) 259-2759](tel:(970)259-2759) cell

----- Forwarded message -----

From: **Dave Kubeczko - DNR** <dave.kubeczko@state.co.us>

Date: Thu, Jun 27, 2013 at 6:42 AM

Subject: SG Interests I LTD, Buck Creek 12-89-5 #1 Pad, SWNE Sec 5 T12S R89W, Gunnison County, Form 2A (#400383181) Review

To: cdickert@sginterests.com

Catherine,

I have been reviewing the Buck Creek 12-89-5 #1 Pad **Form 2A** (#400383181). COGCC would like to attach the following conditions of approval (COAs) based on the data SG Interests I LTD has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

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

COA 91 - Notify the COGCC 48 hours prior to start of pad/access road 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 23 - Operator must ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) 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 (at least every 14 days), and maintained in good condition.

COA 5 - Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface or buried pipelines. Additional containment shall be required where temporary pumps and other necessary equipment or chemicals are located.

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

COA 44 - The access road and well pad will be constructed as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.

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 46 - The surface soils and materials are 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 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, 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 38 - The moisture content of any drill cuttings in a cuttings trench, area, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if any of the drill cuttings are to remain onsite, they must also meet the applicable standards of table 910-1.

COA 60 - Because of proximity of the well pad to the nearby surface water irrigation ditch, operator will need to relocate the irrigation either below the proposed well pad or through/beneath the proposed well pad. Standard stormwater BMPs must be implemented at the irrigation ditch locations to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff.

COA 50 - Because of proximity of the well pad to nearby scenic Highway 133, operator shall utilize berms, fences, vegetation, and other measures (low profile tanks painted to match surrounding area) to lessen the visual impact for motorists along the highway. Any permit requirements from the state agencies regulating the scenic by-ways will need to be received prior to any construction activities. Copies of any permits shall be sent via a Form 4 Sundry to COGCC.

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.

Groundwater Baseline Sampling:

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

Surface Pipeline COAs: The following conditions of approval (COAs) will apply to both the Form 2A if temporary surface pipelines are used during the hydraulic stimulation operations:

COA 45 - Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service.

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.

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 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 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](tel:9703092514) (cell), or email. Thanks.

Dave

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

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