

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Monday, September 16, 2013 9:18 AM
To: dave.kubeczko@state.co.us
Subject: FW: SWEPI LP LP, Dill Gulch 1-22 Pad, NWSW Sec 22 T6N R88W, Routt County, Form 2A#400427097 Review
Attachments: Figure 1 from Dill Gulch Hydro Memo 609 (8-29-13).pdf
Categories: Operator Correspondence

Scan No 2106750 CORRESPONDENCE 2A#400427097

From: C-Steven.Compton@shell.com [mailto:C-Steven.Compton@shell.com]
Sent: Thursday, September 12, 2013 5:16 PM
To: dave.kubeczko@state.co.us
Cc: A.Baldrige@shell.com
Subject: RE: SWEPI LP LP, Dill Gulch 1-22 Pad, NWSW Sec 22 T6N R88W, Routt County, Form 2A#400427097 Review

Dave,

We have reviewed the list of proposed COA's shown below for the Dill Gulch 1-22 pad and concur. As you requested I have attached a figure showing the location of water wells we propose to use for conducting baseline groundwater sampling. We have already obtained access agreements to allow for sample collection from the wells highlighted in blue on the map.

If you have any additional questions or need more information please do not hesitate to contact me.

Steve Compton, P.G.

Environmental Engineer - US Onshore Exploration

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From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Tuesday, September 10, 2013 2:40 PM
To: Compton, Steven SEPCO-UAS/E/USON
Subject: SWEPI LP LP, Dill Gulch 1-22 Pad, NWSW Sec 22 T6N R88W, Routt County, Form 2A#400427097 Review

Steve,

I have been reviewing the Dill Gulch 1-22 Pad **Form 2A** (#400427097). COGCC would like to attach the following conditions of approval (COAs) to the Form 2A based on the data SWEPI has submitted on or attached to 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 (COA) will apply:

COA 11 - A closed loop system must be implemented during drilling (which operator has indicated on the Form 2A); or, if a closed loop system drilling rig is not used/available, then an amended Form 2A will need to be submitted/approved to include a drilling pit, and a Form 15 Earthen Pit Permit will also need to be submitted/approved prior to construction of the pit (the drilling pit will be required to be lined, fenced, and netted).

COA 39 - All cuttings generated during drilling with oil based muds or high chloride/TDS mud must be kept in containers, a lined/bermed portion of the well pad, or the lined drilling pit (if permitted and constructed) prior to offsite disposal. The moisture content of any drill cuttings in a cuttings pit, trench, 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 or buried pipelines.

COA 23 - Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations (as described on the BMPs tab and shown on the Construction Layout Drawings and Location Drawing attachments); 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 38 - The moisture content of any freshwater mud generated cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if the freshwater mud generated drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.

COA 25 – If the well is to be hydraulically stimulated, 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 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.

Groundwater Baseline Sampling: The following COA will also apply:

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

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

COA 45 - 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/steel or buried poly/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 pipelines.

COA 54 - Operator must ensure appropriate secondary containment for volume of fluids that may be released before pump shut down from the surface pipeline at all stream, intermittent stream, ditch, and drainage crossings. Catchment basins, if needed, should be sized to contain the volume between pump stations or between the nearest pump station and the frac pad being used for this well pad location. Pump stations along the surface poly or steel pipeline route will be continuously monitored when operating in order to swiftly respond to such a failure.

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 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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