



STATE OF  
COLORADO

Weems - DNR, Mark <mark.weems@state.co.us>

## STATUS OF SWIFT NIOBRARA EXPLORATORY PROJECT - WATERS WELLSITE (UPDATE FOR OPERATIONS THROUGH OCTOBER 31, 2013)

1 message

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Fri, Nov 1, 2013 at 9:57 AM

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As a reminder, Swift has filed paperwork with the COGCC in order to keep certain information regarding our Waters well confidential for a specified period of time. Applicable completions paperwork is being prepared for filing with the COGCC as required.

For your information, the Waters well has been completed but Swift has elected to postpone our production testing until we have had time to review and evaluate the geologic and reservoir data obtained during the drilling and completion of this exploratory well. We anticipate that this evaluation may make up to 3 months to complete. At this time, the well has been secured and all equipment is being demobilized from the location (see attached photographs). The private access route will be locked to prevent unauthorized access to the wellsite via this route.

Swift will continue applicable compliance monitoring and inspections and will also be monitoring and recording data from the well on a periodic basis and/or as may be required by COGCC requirements. In addition, Swift will ensure compliance with and/or maintenance of applicable stormwater management requirements, weed control plan requirements, erosion controls, security, etc. as required by the COGCC and La Plata County Permit, our MOU, and applicable LPC Land Use Code requirements.

On October 31, 2013, Swift received concurrence from La Plata County that our permit modification to allow for open flaring (up to 15 days) would be approved subject to some provisions requested by the County. When initiated, Swift would be allowed up to 15 days of flaring prior to being required to tie into the DJ Simmons gathering system and begin sale of the natural gas as a "green" completion. However, Swift has requested that the issuance of the permit modification be delayed until such time that Swift knows that we will need to have an open flare during production testing. At that time, Swift would provide notice to La Plata County that we would like to initiate flaring operations, the County would issue our permit modification as discussed, Swift would provide some sort of public notification that we intend to initiate flaring operations and would provide reference to the La Plata County public notice website for information on flaring versus venting, and then Swift would be able to conduct flaring during our production testing operations for up to 15 days prior to tying into the DJ Simmons gathering system. Therefore, at this time, the permit modification is on hold until Swift requests that it be issued.

- No safety incidents to report.
- One environmental incident occurred while the housing was still on location. A loose fitting allowed a small amount of sewage to impact the location pad – nothing was discharged from the location. The spilled material was immediately cleaned up for proper disposal and repairs made to the piping.
- One complaint received about a rig using an unapproved route to the wellsite. Upon further investigation, it was determined that Swift was not the responsible party.

All erosion and stormwater controls continue to work as designed in accordance with our Stormwater Management Plan. We will continue to monitor the area to ensure proper drainage and compliance with stormwater requirements.

Due to the postponement of our activities and the removal of all equipment from the wellsite, Swift has elected to terminate the extra Sheriff patrols effective November 2, 2013. These patrols were extremely effective and Swift appreciates the support from the Sheriff in ensuring compliance with speed limits and safety/security.

Our gate guard is being deactivated effective November 1, 2013. The private route access gate will be locked to secure this access point off of CR 116. Only authorized personnel are allowed to enter the location.

Swill will continue with our water well sampling program as required by COGCC requirement and/or our voluntary program. LT Environmental will be continuing this work on behalf of Swift.

The water tank and “fire” truck which had been on standby at the location as well as the spill response trailer have been removed from the location. We greatly appreciate the support and cooperation received from the Fort Lewis Mesa Fire Chief and the Office of Emergency Management during our drilling and completion phase.

This will be my last update until we resume operations at this location.

Thanks to everyone for their assistance and support during our recent operational activities.

If you have any questions or need additional information, please let me know. Also, please direct any questions from the public which you cannot answer directly to me for handling. As already discussed, our desire is to be a good neighbor in the community.

Thanks,

*Bob Redweik*



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Corporate Manager - Health, Safety, and Environment

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**Waters Photographs on 2013 10 31.docx**

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