

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, January 21, 2014 10:04 AM
To: dave.kubeczko@state.co.us
Subject: FW: Valley Farms O - Response to Comments on Form 2A#400479616 Review
Attachments: Attach A & D - Improvements - 12-12-13.pdf; Attach J(2) - Pre-App NOI - 12-04-13.pdf; Attach M - BMPS - 12-31-13.docx

Categories: Operator Correspondence

Scan No 2106845 CORRESPONDENCE 2A#400479616

From: Rob Bleil [mailto:rbleil@ursaresources.com]
Sent: Thursday, January 02, 2014 3:28 PM
To: Dave Kubeczko - DNR
Cc: Cari Chelewski
Subject: Valley Farms O - Response to Comments on Form 2A#400479616 Review

Dave...Happy New Year...hope your time off was enjoyable...below are responses to your request for additional information on 11/26 regarding the subject Form 2A, verified by the field visit with you on Dec 18.

Responses in Red:

I have been reviewing the Valley Farms O Pad **Form 2A** (#400479616). COGCC requests that URSA Operating Company LLC (URSA) submit evidence/certification that all Building Unit owners and Surface Owners within the Buffer Zone (1000 feet) have received pre-application notices required by **Rule 303.b.(3).J.iii.** and **Rule 305.a.(2)** (as described below).

Attached is the certification of pre-applicable notification (Attach J(2))

Based on COGCC's review, there may be as many as 4 building units located with the 1000' Buffer Zone based on the placement of the production tank facility in the southeast corner of the well pad location. Please confirm whether there are 2 or more building units within 1000' of the production tanks facility.

There is only 1 building unit within 1000' (789'); see the Attach A & D.

Also, COGCC would like additional attachments (Revised Location Drawing, Reference Area Map, Reference Area Picture; as outlined below)

- **Revised Location Drawing attached (Attach A&D-Improvements)**
- **Regard the Reference Area for revegetation, Ursa authorizes you to revise this criteria on the Form 2A to "Dryland", as this isn't rangeland as we discussed at the site visit on 12/18.**

and would like to attach the following conditions of approval (COAs) based on the information and data URSA has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review. **We appreciate the opportunity to review...**

- **Planning COAs - No problem with any of these (91, 9)**
- **Construction COAs – No problem with 5, 44, 76, 25 and 38 as these are addressed within the scope of the BMPs Ursa has proposed. Per our discussion at the field visit on 12/13 we request that COA 23 be revised to an inspection schedule of 30 days. However, if this will be standard for all Operators in 317B areas, we would revise our internal protocols to address this. Regarding COA 58, we like to see this clarified that corrugated steel**

and poly liners are applicable to permanent tanks (e.g. production/condensate tanks) as the application of this to temporary tanks wouldn't be feasible. It appears that COA 25 may already accommodate this.

- Drilling/Completions COAs – COA 45 appears to be applicable to flowlines between the wellhead, separators and tank battery under 1101.e.(1). No problem with the 2nd sentence regarding notifications. No problem with COA 55 as this is addressed within the scope of Ursa's BMPs.

Revised Ursa BMPs

- Attached are the revised BMPs to include tertiary containment (yellow highlights) per our field visit on 12/18.

Let me know if we've missed anything or if anything further is needed. We'd like to get this permitted to get on the construction schedule as soon as possible.

Rob

Robert (Rob) Bleil

*Ursa Regulatory & Environmental Manager
Ursa Operating Company LLC*

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E-Mail: rbleil@ursaresources.com

From: Dave Kubezko - DNR [<mailto:dave.kubezko@state.co.us>]

Sent: Tuesday, November 26, 2013 12:34 PM

To: Rob Bleil

Subject: URSA Operating Company LLC, Valley Farms O Pad, Lot 11 (SESW) Sec 10 T6S R92W, Garfield County, Form 2A#400479616 Review

Rob,

I have been reviewing the Valley Farms O Pad **Form 2A** (#400479616). COGCC requests that URSA Operating Company LLC (URSA) submit evidence/certification that all Building Unit owners and Surface Owners within the Buffer Zone (1000 feet) have received pre-application notices required by **Rule 303.b.(3).J.iii.** and **Rule 305.a.(2)** (as described below). Based on COGCC's review, there may be as many as 4 building units located with the 1000' Buffer Zone based on the placement of the production tank facility in the southeast corner of the well pad location. Please confirm whether there are 2 or more building units within 1000' of the production tanks facility. Also, COGCC would like additional attachments (Revised Location Drawing, Reference Area Map, Reference Area Picture; as outlined below) and would like to attach the following conditions of approval (COAs) based on the information and data URSA has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Rule 303.b.(3).J.iii:

303. REQUIREMENTS FOR FORM 2, APPLICATION FOR PERMIT-TO-DRILL, DEEPEN, RE-ENTER, OR RECOMPLETE, AND OPERATE; FORM 2A, OIL AND GAS LOCATION ASSESSMENT.

b. FORM 2A, OIL AND GAS LOCATION ASSESSMENT.

(3) **Information Requirements.** The Form 2A requires the attachment of the following information. Where the information required under this section has been included in a federal Surface Use Plan of Operations meeting the requirements of Onshore Oil and Gas Order Number 1 (72 Fed. Reg. 10308 (March 7, 2007)), or for a federal Right of Way, Form 299, then the operator may attach the completed pertinent information and identify on the Form 2A where the information required under this section may be found therein.

J. If the proposed Oil and Gas Location is within one thousand (1,000) feet of a Building Unit

- i. A scaled facility layout drawing depicting the location of all existing and proposed new Oil and Gas Facilities listed on the Form 2A; 2A; and
- ii. A Waste Management Plan describing how the Operator intends to satisfy the general requirements of Rule 907.a.; and
- iii. Evidence that Building Unit owners within the Buffer Zone received the pre-application notice required by Rule 305.a.(2).

Rule 305.a.(2):

305. FORM 2 AND 2A APPLICATION PROCEDURES

a. **Pre-application notifications.** For Oil and Gas Locations proposed within an Urban Mitigation Area or within the Buffer Zone Setback, an Operator shall provide a “Notice of Intent to Conduct Oil and Gas Operations” to the persons specified herein not less than thirty (30) days prior to submitting a Form 2A Oil and Gas Location Assessment to the Director.

(2) Exception Zone and Buffer Zone Setback Notice to the Surface Owner and Building Unit Owners. For Oil and Gas Locations proposed within the Exception Zone or Buffer Zone Setback, Operators shall notify the Surface Owner and the owners of all Building Units that a permit to conduct Oil and Gas Operations is being sought. The Operator may rely on the county assessor tax records to identify the persons entitled to receive the Notice. Notice shall include the following:

- A. The Operator’s contact information;
- B. The location and a general description of the proposed Well or Oil and Gas Facilities;
- C. The anticipated date operations will commence (by calendar quarter and year);
- D. The Local Governmental Designee’s (LGD) contact information;
- E. Notice that the Building Unit owner may request a meeting to discuss the proposed operations by contacting the LGD or the Operator; and
- F. A “Notice of Comment Period” will be sent pursuant to Rule 305.c. when the public comment period commences.

Rule 303.d.(3).F.ii.aa and bb: Since the current and future land uses are non crop land (rangeland), a reference area needs to be indicated on a topographic map. In addition, four (each of the cardinal directions) color photographs taken during the growing season of the reference area are required within 12 months of the Form 2A permit application date (04/05/2011). Another option: **would be to select an area immediately adjacent (i.e., north, west, south, or east) to the well pad as the reference area and indicate this on the Submit Tab (Operator Comments and Submittal).**

Comments on the Form 2A need to indicate the direction of the Location Picture to be used for the reference area. This option requires that the selected location picture show that the reference area can be distinguished to an area off the pad. In addition, when the operator is using a location picture to define the reference area, the following statement needs to be used: “The reference area is located immediately adjacent to the well pad to the north (as shown on the north Location Picture) on undisturbed ground”.

Rule 303.d.(3).D.: A scaled drawing, or scaled aerial photograph showing the approximate outline of the Oil and Gas Location and the Well or reference point use for measuring distances. The drawing shall include all visible improvements within five hundred (500) feet of the proposed Oil and Gas Location, with a horizontal distance and approximate bearing from Oil and Gas Location. Visible improvements shall include, but not be limited to, all Building Units, publicly maintained roads and trails, major above-ground utility lines, railroads, pipelines, mines, oil wells, gas wells, injection wells, water wells known to the operator and those registered with the Colorado State Engineer, known springs, plugged wells, known sewers with manholes, standing bodies of water, and natural channels including permanent canals and ditches through which water may flow. A description of surface uses within the five hundred (500) foot radius of a proposed Oil and Gas Location, if any, shall be attached to the scaled drawing. If there are no visible improvements within five hundred (500) feet of a proposed Oil and Gas Location, it shall be so noted on the Form 2A.

The Location Drawing should show the 500-foot buffer (an actual line on the drawing) measured from the edge of disturbance (not the center of the well pad) and any improvements (listed in the rule: pipelines, fences, etc) within 500-feet. This drawing should fill the entire page to allow for details to be seen.

Planning: 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 9 - As required for Groundwater Baseline Sampling; Operator shall comply with Rule **609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING:**

In addition, this location has been designated a “sensitive area” due to proximity (563’ to the south and 662’ to the west) to nearby domestic water wells; shallow groundwater (30’ bgs); proximity to downgradient surface water (259’); and proximity to the Colorado River (583’).

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

COA 5 - Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines or buried permanent pipelines.

COA 23 - Operator must ensure secondary containment for any volume of fluids 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 44 - The access road will be constructed and maintained 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 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.

Drilling/Completions: The following conditions of approval (COAs) will apply:

COA 38 - The moisture content of any 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 drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.

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.

Drilling/Completions: The following conditions of approval (COAs) will apply to the Form 2A Permit if any temporary surface pipelines (poly or steel) or buried (poly or steel) pipelines are used during operations at the well pad location or nearby well pads:

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 or buried poly/steel pipelines.

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.

Operator shall also adhere to the BMPs listed on the Operator BMP/COA Tab as well as to the following rule:

Rule 604.c.(2). A. thru W.:

604. SETBACK AND MITIGATION MEASURES FOR OIL AND GAS FACILITIES, DRILLING, AND WELL SERVICING OPERATIONS

c. **Mitigation Measures.** The following requirements apply to an Oil and Gas Location within a Designated Setback Location and such requirements shall be incorporated into the Form 2A or associated Form 2 as Conditions of Approval.

(2) **Location Specific Requirements – Designated Setback Locations.** Subject to Rule 502.b., the following mitigation measures shall apply to any Well or Production Facility proposed to be located within a Designated Setback Location for which a Form 2 Application for Permit to Drill or Form 2A Oil and Gas Location Assessment is submitted on or after August 1, 2013: In particular:

- C. Green Completions – Emission Control Systems.**
- F. Leak Detection Plan. .**
- M. Fencing requirements.**
- N. Control of fire hazards.**

COGCC would appreciate your concurrence with attaching the COGCC 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 (cell), or email. Thanks.

Dave

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

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