

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, March 04, 2014 4:36 PM
To: dave.kubeczko@state.co.us
Subject: FW: Gunnison Energy Corporation, DGU Federal 1289 18-43 Pad, NESE Sec 18 T12S R89W, Gunnison County, Form 2A #400537258 Review

Categories: Operator Correspondence

Scan No 2106921 CORRESPONDENCE 2A#400537258

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Wednesday, February 05, 2014 2:30 PM
To: Lee Fyock
Subject: Gunnison Energy Corporation, DGU Federal 1289 18-43 Pad, NESE Sec 18 T12S R89W, Gunnison County, Form 2A #400537258 Review

Lee,

I have been reviewing the DGU Federal 1289 18-43 Pad **Form 2A** #400537258. COGCC would like to attach the following additional conditions of approval (COAs) based on the data Gunnison Energy Corporation (GEC) has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Previous Comprehensive Drilling Plan (the “Hotchkiss Federal CDP #2028”): The following conditions of approval (COAs) will apply:

CDP 1 - Operator shall comply with Conditions of Approval set forth in Cause No. 1, Order No. 1-143 (dated 04-01-2009).

CDP 2 - Operator shall comply with BMPs described in the Hotchkiss Federal Comprehensive Drilling Plan #2028.

CDP 3 - Operator shall line pits constructed at the Oil and Gas Location.

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

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 28 - The location is in an area of moderate to high run-on/run-off potential; therefore 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 run-off.

COA 44 - The access road will be 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 (corrugated steel with poly liner) to contain any spilled or released material around permanent 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.

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.

Material Handling and Spill Prevention: 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 poly or buried 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.

Based on the information provided in the Form 2A by GEC, COGCC will attach these COAs to the Form 2A permit, GEC does not need to respond, unless you have questions or concerns with details in this email. In addition, could GEC provide COGCC with the COAs and wildlife stipulations that BLM has attached to this location when you receive them. If you have any questions, please do not hesitate to call me at (970) 309-2514 (cell), or email. Thanks.

Dave

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Oil and Gas Location Assessment Specialist
Western Colorado

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