

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, March 18, 2014 3:24 PM
To: dave.kubeczko@state.co.us
Subject: FW: EE3 LLC, Peterson Ridge Unit 2-10H Pad, NWNE Sec 10 T8N R80W, Jackson County, Form 2A#400558126 Review

Categories: Operator Correspondence

Scan No 2106957 CORRESPONDENCE 2A#400558126

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Thursday, March 06, 2014 8:07 AM
To: krodell@upstreampm.com
Subject: EE3 LLC, Peterson Ridge Unit 2-10H Pad, NWNE Sec 10 T8N R80W, Jackson County, Form 2A#400558126 Review

Kim,

I have been reviewing the Peterson Ridge Unit 2-10H Pad **Form 2A** (#400558126). COGCC would like a **revised Multi-Well Plan (as outlined below)**, and would like to attach the following conditions of approval (COAs) based on the information and data Buck Peak has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review. **In addition, EE3 will need to contact the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) for the Form 4 Sundry requirements for a variance from the 1000 series reclamation rules to leave the road and pad as built.**

Rule 303.d.(3).L: Where the proposed Oil and Gas Location is for multiple wells on a single pad, a drawing showing proposed wellbore trajectory with bottom-hole locations. **Since the Form 2A has indicated that 2 wells are planned, the Multi-Well Plan needs to show the two (2) wells/trajectories/bottom holes. In addition, the township, range, and section needs to be indicated on the plan, not just an arrow pointing to the bottom-hole 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).

In addition, this location has been designated a "sensitive area" due to shallow groundwater (22' bgs) and proximity to the surface water (574').

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

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 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.

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

COA 11 - A closed loop system (which operator has indicated on the Form 2A) must be implemented during drilling.

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, the drill cuttings must also meet the applicable standards of table 910-1.

COA 25 - If the wells are 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 or

storage vessel 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 constructed to be sufficiently impervious to contain any spilled or released material and with additional downgradient perimeter berming.

Based on the information provided in the Form 2A by EE3, COGCC will attach these COAs to the Form 2A permit, EE3 does not need to respond, unless you have questions or concerns with details in this email. 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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