

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, April 22, 2014 9:48 AM
To: dave.kubeczko@state.co.us
Subject: FW: WPX Energy Rocky Mountain LLC, Hicks PA 24-6 Pad, SESW Sec 6 T7S R95W, Garfield County, Form 2A#400475463 Review

Categories: Operator Correspondence

Scan No 2106983 CORRESPONDENCE 2A#400475463

From: Haddock, Reed [mailto:Reed.Haddock@wpxenergy.com]
Sent: Thursday, April 10, 2014 8:46 AM
To: Dave Kubeczko - DNR
Subject: RE: WPX Energy Rocky Mountain LLC, Hicks PA 24-6 Pad, SESW Sec 6 T7S R95W, Garfield County, Form 2A#400475463 Review

Dave:

WPX is fine with these COA's. Reed

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Tuesday, April 08, 2014 1:55 PM
To: Haddock, Reed
Subject: WPX Energy Rocky Mountain LLC, Hicks PA 24-6 Pad, SESW Sec 6 T7S R95W, Garfield County, Form 2A#400475463 Review

Reed,

I have been reviewing the Hicks PA 24-6 Pad **Form 2A** (#400475463). COGCC requests that WPX Energy Rocky Mountain LLC (WPX) 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.** (as described below). COGCC would like to attach the following conditions of approval (COAs) based on the information and data WXP 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).

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, pit construction (if applicable), pit liner installation (if applicable), start of hydraulic stimulation operations, and start of flowback operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

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.

COA 58 - Berms or other containment devices shall be constructed to be sufficiently impervious (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 1 - A closed loop drilling system must be implemented during drilling (as indicated by operator on the Form 2A).

COA 2 - Pits are not allowed, except fresh water storage pits, reserve pits to drill surface casing, and emergency pits as defined in the 100-Series Rules. Any freshwater pit at this location shall require prior approval of a Form 15 pit permit, and be equipped with a pit level indicator..

COA 38 - 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. At the time of closure, if drill cuttings are to remain/disposed of 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 pit 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.

Material Handling and Spill Prevention: The following conditions of approval (COAs) will apply to the Form 2A Permit if any temporary surface or buried permanent pipelines (poly or steel) 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 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 and 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. 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. In addition, 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 54 - Operator must ensure no release of fluids at all stream, intermittent stream, ditch, and drainage crossings. For these crossings: operator will ensure appropriate containment by either installing over-sized pipe "sleeves" which extend the length of the crossing and beyond to a distance deemed adequate to capture and/or divert any possible release of fluids and prevent fluids from reaching the stream or drainage; or installing over-sized pipe "sleeves" which extend the length of the crossing and installing shut off valves on either side of crossing instead of catchment basins.

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.

Operator shall adhere to the BMPs listed on the Operator BMP/COA Tab as well as to the following rules (as applicable):

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:

H. Blowout preventer equipment (“BOPE”) (as necessary).

I. BOPE testing for drilling operations (required).

J. BOPE for well servicing operations (as necessary).

L. Drill stem tests (if done).

M. Fencing requirements (per surface owner).

N. Control of fire hazards (required).

O. Loadlines (required).

Q. Guy line anchors (required).

R. Tank Specifications (required).

(3) Location Specific Requirements – Exception Zone Setback. Within the Exception Zone Setback, the following mitigation measures will be mandatory:

A. All mitigation measures required pursuant to subsection 604.c.(2), above, and:

B. Berm Construction:

i. Containment berms shall be constructed of steel rings, designed and installed to prevent leakage and resist degradation from erosion or routine operation (**COA 58**).

ii. Secondary containment areas for tanks shall be constructed with a synthetic or engineered liner that (**COA 58**) contains all primary containment vessels and flowlines and is mechanically connected to the steel ring to prevent leakage.

COGCC would appreciate your concurrence with attaching these 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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