



STATE OF COLORADO

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

Sundry Notice_Request Approval to Vent Gas

1 message

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

Thu, Jun 19, 2014 at 4:13 PM

To: Beeman-Robert Beeman-Owner <robertbeeman@msn.com>, Beeman-Alberta Blake-Permittting Spc <alberta_blake@yahoo.com>, Beeman-Don Hamilton <starpoint@etv.net>

Cc: Steve Labowskie - DNR <steve.labowskie@state.co.us>, Joe Maclaren - DNR <joe.maclaren@state.co.us>, Jim Hughes - DNR <jimo.hughes@state.co.us>

Beeman Oil and Gas Hubbs #1 12 33N 12W 05-067-09070 Doc #400582676	Beeman Oil and Gas Hubbs #2 12 33N 12W 05-067-09390 Doc #400582687	Beeman Oil and Gas Barbara #2 12 33N 12W 05-067-09071 Doc #400582765	Beeman Oil and Gas Gladys #2 12 33N 12W 05-067-9363 Doc #400582781
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You have done a good job of providing gas measurement at each well; however, there is not enough information provided with the sundry notice to justify the authorization to vent the casing head gas. I have listed below more information that is required and must be provided in your sundry notice.

Where is the nearest gas pipe line?

How far away is it to this well?

What is the capital investment and expenses to tie into that line?

What are the monthly operating costs?

What price can you get per cubic feet per day?

How long does it take to payout if ever?

If you would like help in determining answers to these questions, I suggest you visit Rich Larson with Red Mesa Holdings, LLC. He can be contacted at:

Richard Larson

VP/Superintendent

Red Mesa Holdings

P. O. Box 9

Marvel, CO 81329

[970-588-3302](tel:970-588-3302)

[970-769-4841](tel:970-769-4841)

rlarson@redmesa1.com

Also, I have attached is an example of an approved sundry notice you can use to present your case, e. g. payout time or lack of payout.

And finally, I spoke with Brad Begshaw today of Kiva Measuring and he felt that he could build a flaring device to effectively burn the gas volumes measured instead of venting it. Unburned gas has much more of a greenhouse gas impact on the environment than do combusted gas products. His approximate cost to build a flare is \$1000 and to include a flame arrestor would add another \$650. Brad can be contacted at:

Kiva Measuring

33 CR 5476

Farmington, NM 87401

[970-632-5972](tel:970-632-5972) off

[505-860-0702](tel:505-860-0702) cell

Mark Weems, P. E.

Regional Engineer - SW Colorado



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

P [970.259.4587](tel:970.259.4587) | F [970.259.0743](tel:970.259.0743) | C [970.749.0624](tel:970.749.0624)

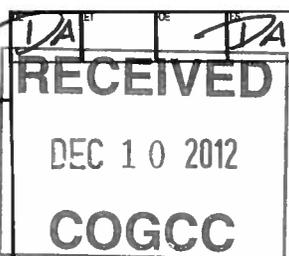
1120 Lincoln Street, Suite 801, Denver, CO 80203

mark.weems@state.co.us | www.colorado.gov/cogcc



EXAMPLE SUNDRY NOTICE.pdf

164K



SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 803b.)

1. OGCC Operator Number: <u>10255</u>	4. Contact Name <u>Tami Humphrey</u>	Complete the Attachment Checklist OP OGCC
2. Name of Operator: <u>Quicksilver Resources Inc.</u>	Phone: <u>(817) 665-4876</u>	
3. Address: <u>801 Cherry St., Suite 3700, Unit 19</u> City: <u>Fort Worth</u> State: <u>TX</u> Zip: <u>76102</u>	Fax: <u>(817) 665-5009</u>	
5. API Number <u>05-081-07722-00</u>	OGCC Facility ID Number	Survey Plat
6. Well/Facility Name: <u>Simoes</u>	7. Well/Facility Number <u>12-30</u>	Directional Survey
8. Location (Qtr/Qtr, Sec, Twp, Rng, Meridian): <u>Lot 9, Sec.30, T6N, R90W, Meridian 6</u>		Surface Eqmpt Diagram
9. County: <u>Moffat</u>	10. Field Name: <u>Flume Gulch</u>	Technical Info Page <input checked="" type="checkbox"/>
11. Federal, Indian or State Lease Number:		Other

General Notice

CHANGE OF LOCATION: Attach New Survey Plat (a change of surface qtr/qtr is substantive and requires a new permit)

Change of Surface Footage from Exterior Section Lines:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change of Surface Footage to Exterior Section Lines:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change of Bottomhole Footage from Exterior Section Lines:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change of Bottomhole Footage to Exterior Section Lines:	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Bottomhole location Qtr/Qtr, Sec, Twp, Rng, Mer _____ attach directional survey

Latitude _____ Distance to nearest property line _____ Distance to nearest bldg, public rd, utility or RR _____
Longitude _____ Distance to nearest lease line _____ Is location in a High Density Area (rule 803b)? Yes/No
Ground Elevation _____ Distance to nearest well same formation _____ Surface owner consultation date: _____

GPS DATA:
Date of Measurement _____ PDOP Reading _____ Instrument Operator's Name _____

CHANGE SPACING UNIT
Formation _____ Formation Code _____ Spacing order number _____ Unit Acreage _____ Unit configuration _____

Remove from surface bond
Signed surface use agreement attached

CHANGE OF OPERATOR (prior to drilling):
Effective Date: _____
Plugging Bond: Blanket Individual

CHANGE WELL NAME NUMBER
From: _____
To: _____
Effective Date: _____

ABANDONED LOCATION:
Was location ever built? Yes No
Is site ready for inspection? Yes No
Date Ready for Inspection: _____

NOTICE OF CONTINUED SHUT IN STATUS
Date well shut in or temporarily abandoned: _____
Has Production Equipment been removed from site? Yes No
MIT required if shut in longer than two years. Date of last MIT _____

SPUD DATE: _____ REQUEST FOR CONFIDENTIAL STATUS (8 mos from date casing set)

SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK *submit cbl and cement job summaries
Method used _____ Cementing tool setting/perf depth _____ Cement volume _____ Cement top _____ Cement bottom _____ Date _____

RECLAMATION: Attach technical page describing final reclamation procedures per Rule 1004.
Final reclamation will commence on approximately _____ Final reclamation is completed and site is ready for inspection.

Technical Engineering/Environmental Notice

Notice of Intent Approximate Start Date: 12/10/2012 Report of Work Done Date Work Completed: _____

Details of work must be described in full on Technical Information Page (Page 2 must be submitted.)

<input type="checkbox"/> Intent to Recomplete (submit form 2)	<input checked="" type="checkbox"/> Request to Vent or Flare	<input type="checkbox"/> E&P Waste Disposal
<input type="checkbox"/> Change Drilling Plans	<input type="checkbox"/> Repair Well	<input type="checkbox"/> Beneficial Reuse of E&P Waste
<input type="checkbox"/> Gross Interval Changed?	<input type="checkbox"/> Rule 502 variance requested	<input type="checkbox"/> Status Update/Change of Remediation Plans
<input type="checkbox"/> Casing/Cementing Program Change	<input type="checkbox"/> Other: _____	for Spills and Releases

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: Tami Humphrey Date: 12/10/2012 Email: thumphrey@qrinc.com
Print Name: Tami Humphrey Title: Regulatory Analyst

COGCC Approved: David And Title: PE II Date: 12/31/2012
CONDITIONS OF APPROVAL, IF ANY:

1) Comply with all requirements of Rule 912, including monthly reporting of flared volumes (on Form 7) and notifications to local emergency dispatch or the local government designee. 2) Submit annual updates (requests to flare) to COGCC on Form 4's (Sundry Notices), which discuss whether or not any new gathering systems or increased development of the field have changed pipeline economics such that installation of a new pipeline would be an economically viable option in lieu of continued flaring. 3) Comply with any Colorado Department of Public Health and Environment, Air Pollution Control Division rules or requirements for all atmospheric discharges.

TECHNICAL INFORMATION PAGE



FOR OGCC USE ONLY
RECEIVED
DEC 10 2012
COGCC

1. OGCC Operator Number: <u>10255</u>	API Number: <u>05-081-07722-00</u>
2. Name of Operator: <u>Quicksilver Resources Inc.</u>	OGCC Facility ID # _____
3. Well/Facility Name: <u>Simoes</u>	Well/Facility Number: <u>12-30</u>
4. Location (QtrQtr, Sec, Twp, Rng, Meridian): <u>Lot 9, Sec.30, T6N, R90W, Meridian 6</u>	

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. DESCRIBE PROPOSED OR COMPLETED OPERATIONS

Quicksilver requests to flare approximately 91 MCFPD from the Simoes 12-30 during the production phase of the well. The amount flared and used on lease will be submitted on our monthly Form 7.

We have attached a gas analysis along with an economic evaluation for selling the gas currently flared. This evaluation is based upon the following:

- Production = 91 MCFD (5 day average flare volume 11-8-12 thru 11-12-12)
- Capital cost = \$1,250,250
- Gas price = \$3.50/Mcf
- Severance tax = 0%
- Operating cost = \$0

The project will not payout during the life of the well based on a 25 year analysis and the undiscounted loss on the investment is \$-376,637 after 25 years.

The tie in location is the Jetta Operating Co. Craig 1-7 in NE-NW-7-6N-90W. Estimated minimum pipeline length is 16,670 feet from the Simoes-Stoddard Tank Battery.

12/10/12

12/10/12

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COGCC

QUICKSILVER RESOURCES, INC.
Simoes 12-30
Moffat County, Colorado

Reserves and Economics (Gas)								
Year	Gross Gas Mcf	Net Gas Mcf	Price \$/Mcf	Net Sales Annual, \$	Op Cost, \$	Cap Cost, \$	UNDISC, \$	Cum UNDISC, \$
2013	31,010	24,808	3.50	86,828	0	1,000,200	-913,372	-913,372
2014	25,522	20,418	3.50	71,462	0		71,462	-841,910
2015	21,005	16,804	3.50	58,814	0		58,814	-783,096
2016	17,287	13,830	3.50	48,404	0		48,404	-734,693
2017	14,873	11,898	3.50	41,644	0		41,644	-693,048
2018	13,312	10,650	3.50	37,274	0		37,274	-655,775
2019	11,914	9,531	3.50	33,359	0		33,359	-622,416
2020	10,664	8,531	3.50	29,859	0		29,859	-592,556
2021	9,544	7,635	3.50	26,723	0		26,723	-565,833
2022	8,542	6,834	3.50	23,918	0		23,918	-541,916
2023	7,645	6,116	3.50	21,406	0		21,406	-520,510
2024	6,843	5,474	3.50	19,160	0		19,160	-501,349
2025	6,124	4,899	3.50	17,147	0		17,147	-484,202
2026	5,481	4,385	3.50	15,347	0		15,347	-468,855
2027	4,906	3,925	3.50	13,737	0		13,737	-455,118
2028	4,391	3,513	3.50	12,295	0		12,295	-442,824
2029	3,930	3,144	3.50	11,004	0		11,004	-431,820
2030	3,517	2,814	3.50	9,848	0		9,848	-421,972
2031	3,148	2,518	3.50	8,814	0		8,814	-413,158
2032	2,818	2,254	3.50	7,890	0		7,890	-405,267
2033	2,522	2,018	3.50	7,062	0		7,062	-398,206
2034	2,257	1,806	3.50	6,320	0		6,320	-391,886
2035	2,020	1,616	3.50	5,656	0		5,656	-386,230
2036	1,808	1,446	3.50	5,062	0		5,062	-381,168
2037	1,618	1,294	3.50	4,530	0		4,530	-376,637
Total	222,701	178,161		623,563				

W.I. 1.000000
N.R.I. 0.800000
Tax 0.000000
Gross Cost \$1,250,250

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COGCC

PRECISION MEASUREMENT, INC.
P.O.Box 3659
745 North Circle Drive
Casper, WY. 82602

12/10/2012 2:35 PM
Phone: 307-237-9327
800-624-7260
Fax: 307-577-4139
E Mail: pmi@tribcsp.com

GAS ANALYSIS REPORT

Analysis For: QUICKSILVER RESOURCES
Field Name:
Well Name: SIMOES 12-30
Station Number:
Purpose:
Sample Deg. F: 98
Volume/Day:
Formation:
Line PSIG: 88
Line PSIA:

Run No: 7925-1
Date Run: 9/26/12
Date Sampled: 9/20/12
Producer: QR
County: MOFFAT
State: CO
Sampled By: S.L.
Atmos Deg. F: 71

GAS COMPONENTS

MOL% Gal/Mcf

Carbon Dioxide	C02:	2.4520	
Nitrogen	N2:	0.5192	
Hydrogen Sulfide	H2s:	0.0000	
Methane	C1:	68.7385	
Ethane	C2:	11.4355	3.0514
Propane	C3:	10.7042	2.9427
Iso-Butane	IC4:	1.0013	0.3268
Nor-Butane	NC4:	3.0578	0.9619
Iso-Pentane	IC5:	0.6270	0.2290
Nor-Pentane	NC5:	0.6690	0.2417
Cyclopentane		0.1827	0.0784
n-Hexane		0.1572	
Cyclohexane		0.0616	
Other Hexanes		0.0691	
Heptanes		0.1562	
Methylcyclohexane		0.0965	
2,2,4 Trimethylpentane		0	
Benzene		0	
Toluene		0	
Ethylbenzene		0	
Xylenes		0	
Octanes		0.0668	
Nonanes		0.0054	
Decanes		0	
		100.000	7.8319

Pressure Base: 14.7300
Real BTU Dry: 1368.3414
Real BTU Wet: 1344.5322
Calc. Ideal Gravity: 0.8244
Calc. Real Gravity: 0.8277
Field Gravity:
Standard Pressure: 14.6960
BTU Dry: 1365.2014
BTU Wet: 1341.4469
Z Factor: 0.9956
Avg Mol Weight: 23.8757
Avg CuFt/Gal: 52.4210
Ethane+ Gal/Mcf: 7.8319
Propane+ Gal/Mcf: 4.7805
Butane+ Gal/Mcf: 1.8378
Pentane+ Gal/Mcf: 0.5491

Analysis By: EVELYN SWANSON
Approved By:

Remarks: