

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Wednesday, November 05, 2014 11:30 AM
To: dave.kubeczko@state.co.us
Subject: FW: Piceance Energy LLC, Gunderson 29-09 Pad, SENE Sec 29 T9S R93W, Mesa County, Form 2A#400690610 Review

Categories: Operator Correspondence

Scan No 2107146 CORRESPONDENCE 2A#400690610

From: Wayne Bankert [mailto:wbankert@laramie-energy.com]
Sent: Wednesday, October 22, 2014 9:36 AM
To: 'Dave Kubeczko - DNR'
Subject: RE: Piceance Energy LLC, Gunderson 29-09 Pad, SENE Sec 29 T9S R93W, Mesa County, Form 2A#400690610 Review

Thanks Dave,
"Permanent" makes it easier for my people.

Wayne P. Bankert
Senior Regulatory & Environmental Coordinator
Piceance Energy, LLC
Laramie Energy II, LLC
601 28 1/4 Rd. Suite D
Grand Junction, CO 81506
O: 970-812-5310
C: 970-985-5383
F: 970-683-5594
wbankert@laramie-energy.com

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Wednesday, October 22, 2014 9:33 AM
To: Wayne Bankert
Subject: RE: Piceance Energy LLC, Gunderson 29-09 Pad, SENE Sec 29 T9S R93W, Mesa County, Form 2A#400690610 Review

Wayne,

The steel containment needs to be around the permanent oil, water, condensate tanks at the location. That is, an earthen berm is not sufficient. You are the first to interpret this COA to mean around the location. I will add the word "permanent" before crude oil.

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

Colorado Oil & Gas Conservation Commission
Northwest Area Office
796 Megan Avenue, Suite 201
Rifle, CO 81650
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dave.kubeczko@state.co.us | www.colorado.gov/cogcc

 *Please consider the environment before printing this e-mail*

From: Wayne Bankert [mailto:wbankert@laramie-energy.com]
Sent: Wednesday, October 22, 2014 8:50 AM
To: 'Dave Kubeczko - DNR'
Subject: RE: Piceance Energy LLC, Gunderson 29-09 Pad, SENE Sec 29 T9S R93W, Mesa County, Form 2A#400690610 Review

Dave,
Piceance Energy accepts the COA's except for COA 58 which implies the entire Oil and Gas Location needs to be "bermed" with a steel containment ring and impervious liner. Supposedly when "frac" tanks are on location for completions.
Rule 605 a.(4) reference secondary containment around Crude Oil and Condensate Tanks for and "Oil and Gas Facilities". This rule is what Piceance Energy uses for the installation of permanent production tanks. This is specific to "Oil and Gas Facilities" not to an "Oil and Gas Location" as defined in the 100 series definitions.

Wayne P. Bankert
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From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Tuesday, October 21, 2014 4:35 PM
To: Wayne Bankert
Subject: Piceance Energy LLC, Gunderson 29-09 Pad, SENE Sec 29 T9S R93W, Mesa County, Form 2A#400690610 Review

Wayne,

I have been reviewing the Gunderson 29-09Pad **Form 2A** (#400690610). COGCC would like to attach the following conditions of approval (COAs) based on the information and data Piceance Energy LLC (Piceance) has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

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, pipeline testing, 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 tank site during 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 after precipitation events), 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 (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 area, 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 well(s) is(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.

COA 26 - Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.

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.

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.

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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