

Dave Kubezko - DNR

From: Dave Kubezko - DNR
Sent: Monday, November 17, 2014 4:59 PM
To: dave.kubezko@state.co.us
Subject: FW: Resend of: WPX Energy Rocky Mountain LLC, GV 26-28 Pad, Lot 12 (SWSE) Sec 28 T6S R96W, Garfield County, Form 2A#400631623 Review
Attachments: GV 26-28 Location - 303, 305, and 306 Certification Letter 11-17-2014.pdf; Bargath Waiver of Rules 305.c & 306.e 7-1-14.pdf; GV 26-28 Rule 305.a Return Receipt 7-10-14.pdf
Categories: Operator Correspondence

Scan No 2107155 CORRESPONDENCE 2A#400631623

From: Van Loan, Traci [mailto:Traci.VanLoan@wpxenergy.com]
Sent: Monday, November 17, 2014 3:25 PM
To: Dave Kubezko - DNR
Cc: Salazar, Sandi; Mestas, April; Haddock, Reed; Ellsworth, Lindsey
Subject: RE: Resend of: WPX Energy Rocky Mountain LLC, GV 26-28 Pad, Lot 12 (SWSE) Sec 28 T6S R96W, Garfield County, Form 2A#400631623 Review

Dave,

As a follow up to Reed's email earlier today, I am attaching the information requested below. Please let Reed or I know if there are any questions.

Thanks,

Traci Van Loan

Landman II - Piceance Basin

WPX Energy Rocky Mountain, LLC

Cell 970.773.4400 | Office 970.623.8947 | Fax 866.529.8072

traci.vanloan@wpxenergy.com

If you have received this message in error, please reply to advise the sender of the error and then immediately delete this message.

From: Mestas, April
Sent: Friday, September 19, 2014 6:45 AM
To: Dave Kubezko - DNR
Cc: Salazar, Sandi; Van Loan, Traci
Subject: FW: Resend of: WPX Energy Rocky Mountain LLC, GV 26-28 Pad, Lot 12 (SWSE) Sec 28 T6S R96W, Garfield County, Form 2A#400631623 Review

Hi Dave,

We received the information below on the GV 26-28 pad. We've responded to some of the questions/requests in green below. Please let me know if you would like this in a different format if it might be easier to read. Please let me know if there is information you still need after reviewing.

Thank you for your help!

April

From: Dave Kubezko - DNR [mailto:dave.kubezko@state.co.us]
Sent: Tuesday, September 16, 2014 7:32 AM
To: Haddock, Reed

Subject: Resend of: WPX Energy Rocky Mountain LLC, GV 26-28 Pad, Lot 12 (SWSE) Sec 28 T6S R96W, Garfield County, Form 2A#400631623 Review

Please disregard previous email for this location (COGCC has made additions and corrections).

Reed,

I have been reviewing the GV 26-28 Pad **Form 2A** (#400631623). 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.** and **Rule 305.a.(2)** (as described below).

WPX needs to submit certification that it has complied with the requirements of **Rules 305.a.(1). Should not apply – this location is not in an Urban Mitigation Area, 305.a.(2), 305.a.(2).F, 303.b.(3).J.i and iii, and 306.e.**

In addition, WPX needs to meet the requirements of **Rule 604.c.(2).E.i.** COGCC would like additional/revise attachments (Revised Location Drawing, Revised Multi-Well Plan [current plan shows 19 wells, Form 2A indicates 21 wells, number of 2s submitted is 19, based on Related Forms Tab], Reference Area Map, Reference Area Pictures) as outlined below; and more detailed information about onsite flowlines and offsite pipelines, including size and type of material for water, condensate, and gas flowlines between the wellheads, separators, and tanks, as well as the gas and water (if applicable) pipelines leaving the location, including estimated length to the tie in point. – **We are only drilling 1 Niobrara well from this pad and the plats reflect this. Please let us know if you are seeing something different. Also, the description for the infrastructure was on the Form 2A (as shown immediately below) but please let us know if you need something more. The length of the pipelines leaving the location is approximately 1,883’.**

- 1 - temporary surface frac water supply line from existing infrastructure to pad.**
- 1 - 8" buried steel gas line to tie into existing infrastructure at the GM 323-28 pad.**
- 1 - 4" buried produced water line to tie into existing infrastructure at the GM 323-28 pad.**
- Flowlines from the wellheads to the separators will be 2" steel. The produced water flowlines from the separators to the water tanks will be 2" steel for Mesa Verde wells and 4" steel for the Niobrara well. The condensate flowlines from the separators to the condensate tanks will be 2" steel. All disturbance will be within pad boundaries. All flowlines will be buried 4' deep.**
- Tie-in pipeline to existing gas pipeline offsite is 8" steel. Tie-in pipeline to existing produced water pipeline offsite is 4" steel.**

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; - **Please see attached Facilities Layout diagram**

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).

Attachment J states that surface and building unit owners within the 1000 foot Buffer and Exception zones were

forwarded Pre-Application Notifications.

WPX needs to provide COGCC with a letter certifying that all surface and building unit owners within the 1000-foot Buffer and Exception zones actually received the Pre-Application Notification. WPX will provide a letter to comply with J.iii stating the letter required by Rule 305.a.(2) was received by Bargath and that WPX is the Surface Owner.

Rule 305.a.(2):

305. FORM 2 AND 2A APPLICATION PROCEDURES

a. **Pre-application notifications.** For Oil and Gas Locations proposed within an Urban Mitigation Area or within the Buffer Zone Setback, an Operator shall provide a "Notice of Intent to Conduct Oil and Gas Operations" to the persons specified herein not less than thirty (30) days prior to submitting a Form 2A Oil and Gas Location Assessment to the Director.

(2) Exception Zone and Buffer Zone Setback Notice to the Surface Owner and Building Unit Owners. For Oil and Gas Locations proposed within the Exception Zone or Buffer Zone Setback, Operators shall notify the Surface Owner and the owners of all Building Units that a permit to conduct Oil and Gas Operations is being sought. The Operator may rely on the county assessor tax records to identify the persons entitled to receive the Notice. Notice shall include the following:

A. The Operator's contact information;

B. The location and a general description of the proposed Well or Oil and Gas Facilities;

C. The anticipated date operations will commence (by calendar quarter and year);

D. The Local Governmental Designee's (LGD) contact information;

E. Notice that the Building Unit owner may request a meeting to discuss the proposed operations by contacting the LGD or the Operator; and

F. A "Notice of Comment Period" will be sent pursuant to Rule 305.c. when the public comment period commences. **The letter mentioned above will also state WPX has complied with Rule 350.a.(2).F.**

Rule 306.e.(5):

306. CONSULTATION AND MEETING PROCEDURES. Following the notifications provided for in Rule 305.c, an Operator shall comply with the following consultation and meeting procedures:

e. **Meetings with Building Unit Owners Within a Buffer Zone Setback.**

(1) **Meetings with Building Unit Owners.** An Operator shall be available to meet with Building Unit owners who received an OGLA Notice or a Buffer Zone Notice pursuant to Rule 305.c. and requested a meeting regarding the proposed Oil and Gas Location. Operators shall also be available to meet with such Building Unit owners if requested to do so by the Local Governmental Designee and such meetings shall comply with Rule 306.b.(3). Such informational meetings may be held on an individual basis, in small groups, or in larger community meetings.

(2) **Information provided by operator.** When meeting with Building Unit owners or their appointed agent(s) pursuant to subsection (1), above, the Operator shall provide the following information: the date construction is

anticipated to begin; the anticipated duration of pad construction, drilling and completion activities; the types of equipment anticipated to be present on the Location; and the operator's interim and final reclamation obligation. In addition, the Operator shall present a description and diagram of the proposed Oil and Gas Location that includes the dimensions of the Location and the anticipated layout of production or injection facilities, pipelines, roads and any other areas to be used for oil and gas operations. The Operator and Building Unit owners shall be encouraged to discuss potential concerns associated with Oil and Gas Operations, such as security, noise, light, odors, dust, and traffic, and shall provide information on proposed or recommended Best Management Practices or mitigation measures to eliminate, minimize or mitigate those issues.

(3) **Waiver.** The Building Unit owner or agent may waive, permanently or otherwise, the foregoing meeting requirements. Any such waiver shall be in writing, signed by the owner or agent, and shall be submitted by the Building Unit owner or agent to the operator and the Director.

(4) **Mitigation Measures.** Operators will consider all legitimate concerns related to public health, safety, and welfare raised during informational meetings or in written comments and, in consultation with the Director and Local Governmental Designee if the LGD so requests, will add relevant and appropriate Best Management Practices or mitigation measures as Conditions of Approval into the Form 2A and any associated Form 2s.

(5) **Operator Certification.** The Director shall not approve a Form 2A, Oil and Gas Location Assessment, until the operator certifies it has complied with the meeting requirements of this Rule 306.e.

WPX needs to provide COGCC with a letter certifying that they have complied with the meeting requirements of Rule 306.e. above. I have attached examples of this type of letter. WPX will provide this letter.

Rule 604.c.(2).E.i.:

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:

E. Multiwell Pads.

i. Where technologically feasible and economically practicable, operators shall consolidate wells to create multi-well pads, including shared locations with other operators. **Multi-well production facilities shall be located as far as possible from Building Units.**

ii. The pad shall be constructed in such a manner that noise mitigation may be installed and removed without disturbing the site or landscaping.

iii. Pads shall have all weather access roads to allow for operator and emergency response.

WPX needs to provide a statement that clarifies the placement of the production facilities on the southern portion of the pad instead of the northern portion, which would be slightly further from Building Units. Because of operations on the pad due to drilling a Niobrara well the production equipment could not be on pad and had to be set adjacent to it. There is a large pipeline easement (shared corridor) that runs on the north-north east side of the pad that WPX cannot encroach upon. The area on the north-north west side of the pad is used for cuttings storage which, due to the rig setup, needs to be in this location as we could also not encroach on the pipeline ROW with this. This left an already disturbed area on the southern side of the pad available for production equipment. There is also gas plant (not owned by WPX) that is between the production equipment on the GV 26-28 pad and the Building unit.

Rule 303.b.(3).D.: A scaled drawing, or scaled aerial photograph showing the approximate outline of the Oil and Gas Location and the Well or reference point use for measuring distances. The drawing shall include all visible improvements within five hundred (500) feet of the proposed Oil and Gas Location, with a horizontal distance and approximate bearing from Oil and Gas Location. Visible improvements shall include, but not be limited to, all Building Units, publicly maintained roads and trails, major above-ground utility lines, railroads, pipelines, mines, oil wells, gas wells, injection wells, water wells known to the operator and those registered with the Colorado State Engineer, known springs, plugged wells, known sewers with manholes, standing bodies of water, and natural channels including permanent canals and ditches through which water may flow. A description of surface uses within the five hundred (500) foot radius of a proposed Oil and Gas Location, if any, shall be attached to the scaled drawing. If there are no visible improvements within five hundred (500) feet of a proposed Oil and Gas Location, it shall be so noted on the Form 2A.

The Location Drawing should show the 500-foot buffer (an actual line on the drawing) measured from the edge of disturbance and any improvements (listed in the rule: pipelines, fences, etc) and existing water features within 500-feet. This drawing should fill the entire page to allow for details to be seen.

Based on COGCC's review, COGCC has corrected the distance to public road from 397' (production facilities) to 286' (well) and distance to property line from 1086' (production facilities) to 951' (well). The closest Building appears to be approximately 367' to the southwest. COGCC is unclear how WPX determined the distances to the nearest Building and Building Unit. Please clarify. **WPX determined the distances to the nearest Building and Building Unit based on information provided to WPX by the owner of the Building Units (Bargath).** COGCC has checked Rule 604.b.(1).A. box on the Designated Setback Location Exceptions Tab. **This is our an oversight on our part - This should have been checked already as it is the rule WPX is seeking an exception under.** COGCC would like to attach the following conditions of approval (COAs) based on the information and data URSA 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 reconstruction/regarding, rig mobilization, spud, start of hydraulic stimulation operations, start of flowback operations using, and pipeline testing 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 (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 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 crude oil, condensate, and produced water storage tanks.

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

COA 38 - A closed loop system must be implemented during drilling; or, if a drilling pit is constructed, an amended Form 2A must be submitted and a Form 15 submitted. All cuttings generated during drilling of the horizontal portion of the wellbore through the gas/condensate/oil-producing zone must be kept in the lined drilling pit (if permitted and constructed), or placed either in containers, or on a lined/bermed portion of the well pad; prior to amending and final disposition. **WPX (Karolina) will be working with COGCC on this COA.** The moisture content of any drill cuttings in a drilling pit (if constructed), cuttings trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. All liners associated with drilling mud and cuttings must be disposed of offsite per CDPHE rules and regulations. At the

time of closure, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1. In locations determined to be a "sensitive area", the operator may be required to notify COGCC (using Form 42) prior to covering the cuttings (in case of drilling pit [if constructed] or cuttings trench) or placing the cuttings on the surface to be mixed with topsoil and seeded to allow inspection and potential confirmation sampling.

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.

Material Handling and Spill Prevention: The following conditions of approval (COAs) will apply to the Form 2A if any temporary surface or buried pipelines (poly or steel) are used during operations at the frac 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 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. 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 also adhere to the BMPs listed on the Operator BMP/COA Tab as well as to the following rule:

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:

M. **Fencing requirements.** WPX is the surface owner and, as such, does not require fencing.

N. **Control of fire hazards.**

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](tel:9703092514) (cell), or email. Thanks.

Dave

David A. Kubeczko, PG
Oil and Gas Location Assessment Specialist
Western Colorado



COLORADO
Oil & Gas Conservation
Commission
Department of Natural Resources

Colorado Oil & Gas Conservation Commission
Northwest Area Office
796 Megan Avenue, Suite 201
Rifle, CO 81650
FAX: (970) 625-5682
Cell: (970) 309-2514
dave.kubeczko@state.co.us | www.colorado.gov/cogcc

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