

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, March 24, 2015 6:26 PM
To: dave.kubeczko@state.co.us
Subject: FW: GRMR Oil & Gas LLC, Myers 19-11HA Pad, NESW Sec 19 T5N R90W, Moffat County, Form 2A#400785519 Review

Categories: Operator Correspondence

Scan No 2107320 CORRESPONDENCE 2A#400785519

From: krodell@upstreampm.com [mailto:krodell@upstreampm.com]
Sent: Monday, March 23, 2015 9:20 AM
To: Dave Kubeczko - DNR; Agross@upstreampm.com; acallaway@upstreampm.com
Cc: Mike Griffis
Subject: RE: GRMR Oil & Gas LLC, Myers 19-11HA Pad, NESW Sec 19 T5N R90W, Moffat County, Form 2A#400785519 Review

Dave,

I have run it by everyone and we concur. We appreciate the note.

Kim

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Friday, March 20, 2015 11:10 AM
To: Agross@upstreampm.com; krodell@upstreampm.com; acallaway@upstreampm.com
Cc: Mike Griffis
Subject: GRMR Oil & Gas LLC, Myers 19-11HA Pad, NESW Sec 19 T5N R90W, Moffat County, Form 2A#400785519 Review

Andrea and Kim,

I have been reviewing the Myers 19-11HA Pad **Form 2A** (#400785519). COGCC would like to attach the following conditions of approval (COAs) based on the information and data GRMR Oil & Gas LLC (GRMR) has submitted on or attached to the Form 2A, as well as information gained during the onsite on March 17, 2015, 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, start of hydraulic stimulation operations (if applicable), and start of flowback operations (if applicable and/or if different that 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 proximity to down gradient surface water (304') and potential shallow groundwater (30' below ground surface in nearby water wells).

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 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 28 - The access road location is in an area of moderate to high run-on/run-off potential; therefore standard stormwater BMPs must be implemented; prior to, during, and after construction, as well as during drilling, completion, and production operations; at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater run-off.

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 31 - If the operator requires to obtain water from the nearby Williams Fork River, the pump and pipeline system must be capable of preventing any backflow into the river after pump shutdown. Any water pumped from the Williams Fork River, but not used during the drilling and completion operations, must be disposed of offsite, not back into the river.

COA 11 - As indicated on the Form 2A, since oil base foam drilling mud will be used for the horizontal portion of the wellbore, a closed loop system must be implemented during drilling. All cuttings generated during drilling with oil based mud or high chloride/TDS mud must be kept in the lined drilling pit (if permitted and constructed), tanks/containers, or placed on a lined/bermed portion of the well pad; prior to disposition. The moisture content of any drill cuttings in a cuttings containment area or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. After drilling and completion operations have been completed, the drill cuttings that will remain on the well pad location (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), must meet the applicable standards of Table 910-1. Any material which does not meet Table 910-1 criteria will either be manifested and disposed offsite at an approved commercial facility, or amended further onsite to comply with Table 910-1. After the drill cuttings have been amended (if necessary or applicable) and placed on the well pad, sampling frequency of the drill cuttings (to be determined by the operator) shall be representative of the material left on location. If operator determines that long-term onsite management of oil based mud or high chloride/TDS mud cuttings is necessary, an approved Form 27 remediation plan will be required. No offsite disposal of cuttings to another oil and gas location shall occur without prior approval of a Waste Management Plan (submitted via a Form 4 Sundry Notice) specifying disposal location and waste characterization method. Commercial disposal of drill cuttings will only require notification to COGCC via a Form 4 Sundry Notice. All liners associated with oil based or high chloride/TDS drilling mud and cuttings must be disposed of offsite per CDPHE rules and regulations.

COA 25 - If the well(s) is (are) to hydraulically stimulated, then 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.

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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