

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Friday, March 27, 2015 3:53 PM
To: dave.kubeczko@state.co.us
Subject: FW: XTO Energy Inc, Penrose 2-8H & 3-8H Pad, SWSW Sec 8 T32N R8W, La Plata County, Form 2A#400717092 Review

Categories: Operator Correspondence

Scan No 2107322 CORRESPONDENCE 2A#400717092

From: Weston, Cherylene [mailto:Cherylene.Weston@xtoenergy.com]
Sent: Thursday, March 26, 2015 10:16 AM
To: Dave Kubeczko - DNR
Subject: RE: XTO Energy Inc, Penrose 2-8H & 3-8H Pad, SWSW Sec 8 T32N R8W, La Plata County, Form 2A#400717092 Review

Dave:

XTO is in agreement with the proposed COA's to the APD.

Thank you,

Cherylene L. Weston, CPLTA
Sr. Permitting Analyst
XTO ENERGY INC., a subsidiary of ExxonMobil
505-333-3190 (O) | 505-419-8265 (M) | 505-333-3284 (F)

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Friday, March 20, 2015 2:40 PM
To: Weston, Cherylene
Subject: XTO Energy Inc, Penrose 2-8H & 3-8H Pad, SWSW Sec 8 T32N R8W, La Plata County, Form 2A#400717092 Review

Cherylene,

I have been reviewing the Penrose 2-8H & 3-8H Pad **Form 2A** (#400717092). COGCC would like to attach the following conditions of approval (COAs) based on the information and data XTO Energy Inc (XTO) has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Planning: The following condition of approval (COA) will apply:

COA 91 - Notify the COGCC 48 hours prior to start of pad reconstruction/regrading, rig mobilization, spud, pipeline testing, start of hydraulic stimulation operations, start of flowback operations (if different than hydraulic stimulation operations), and pipeline testing 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 (as shown on the Proposed BMPs attachment); 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 [per CDPHE requirements] and after significant precipitation events), and maintained in good condition.

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 - The moisture content of drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts.

COA 25 - If the wells 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 condition of approval (COA) will apply:

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.

Since this location falls within a Buffer Zone (1000' from a building unit), operator shall provide COGCC with a list of BMPs that adhere 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:

- A. Noise.
- B. Closed Loop Drilling Systems.
- C. Green Completions - Emission Control Systems.
- D. Traffic Plan.
- E. Multiwell Pads.
- F. Leak Detection Plan.
- G. Berms.
- H. Blow preventer Equipment (BOPE).
- I. BOPE testing for drilling operations.
- J. BOPE for well servicing operations.
- K. Pit level Indicators.
- L. Drill stem tests.
- M. Fencing requirements.
- N. Control of Fire Hazards.
- O. Loadlines.
- P. Removal of Surface trash.
- Q. Guy line Anchors.
- R. Tank specifications.

- S. Access roads.
- T. Well site cleared.
- U. Identification of plugged and abandoned wells.
- V. Development from existing well pads.
- W. Site Specific Measures.

Please see an Example of Rule 604.c.(2) Mitigation Measures provided by an operator currently drilling in La Plata County (shown below the email signature).

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



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*

Example of Rule 604.c.(2) Mitigation Measures provided by an operator currently drilling in La Plata County

- A. Noise - Sound mitigation will be added to the pump jacks and production equipment in order to comply with the residential/agricultura/rural requirements in Rule 802. Drilling, completion, workover, and construction operations will also comply with Rule 802.
- B. Closed Loop Drilling Systems - A closed loop drilling system will be used. Fresh water pits are not planned.
- C. Green Completions - Emission Control Systems - Pipelines and production equipment, including burning flares, capable of supporting green completions will be used.
- D. Traffic Plan - Access is from CR XX. Operator will comply with any La Plata County traffic control measures required for this well. Access road will be built and maintained for all weather use and be able to accommodate local emergency vehicle access requirements.
- E. Multiwell Pads - Multiple wells will be drilled from this pad in order to minimize surface disturbance and impacts to wildlife. No other pad will be necessary to develop the Fruitland Coal in the 320 acre spacing unit being developed by these wells.
- F. Leak Detection Plan - Pipelines will be pressure tested prior to use and wells will be monitored daily.
- G. Berms will be constructed with a corrugated steel containment berm with poly liner and will be large enough to contain 150% of the largest single tank.

- H. Blow preventer Equipment (BOPE) - BOPE equipment will consist of a double ram with blind ram and pipe ram.
- I. BOPE testing for drilling operations - BOPE will be pressured tested upon initial rig up and at least once every 30 days during drilling operations.
- J. BOPE for well servicing operations - Adequate blowout prevention equipment will be used on all well servicing operations.
- K. Pit level Indicators - Pit level indicators will be used.
- L. Drill stem tests - No drill stem tests will be performed.
- M. Fencing requirements - Fencing will be placed around all equipment with moving parts and will be designed and constructed to keep wildlife away from the equipment. The location will be equipped with a locked gate at the access from county road XX.
- N. Control of Fire Hazards - Any material not in use that might constitute a fire hazard shall be removed a minimum of 25 feet from the wellhead, tanks, and separators. Any electrical equipment installations inside the bermed area shall comply with API RP 500 classifications and comply with the current national electrical code as adopted by the State of Colorado.
- O. Loadlines - Loadlines will be bullplugged or capped.
- P. Removal of Surface trash - All surface trash, debris, scrap or discarded material connected with the operations of the property will be removed from the premises and disposed of in a legal manner.
- Q. Guy line Anchors - Guy line anchors will be identified by a marker of bright color not less than 4 feet in height and not greater than one foot east of the guy line anchor.
- R. Tank specifications - No crude oil or condensate storage tanks will be used.
- S. Access roads - Access road will be built and maintained for all weather use and be able to accommodate local emergency vehicle access requirements.
- T. Well site cleared - Within 90 days after the wells are plugged and abandoned the well site shall be cleared of all nonessential equipment, trash, and debris.
- U. Identification of plugged and abandoned wells - Upon plugging and abandoning the well the location of the wellbore shall be marked with a permanent monument as specified in Rule 319.a(5).
- V. Development from existing well pads - Development from existing well pads is not feasible due to directional drilling constraints, lack of access, and lack of subsurface rights.
- W. Site Specific Measures - Visual Mitigation: Visual mitigation will be provided along the north-eastern portion of the well pad and be agreed to by the operator and surface owner. It will be reported to COGCC through a Form 4 Sundry that is has been implemented.