

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, August 11, 2015 11:42 AM
To: dave.kubeczko@state.co.us
Subject: FW: Caerus Piceance LLC, Mesa N6-796 Pad, SESW Sec 6 T7S R96W, Garfield County, Form 2A#400845428 Review

Categories: Operator Correspondence

Scan No 2107635

OPERATOR CORRESPONDENCE

2A#400845428

From: Crissy Venturo [mailto:cventuro@progressivepcs.net]
Sent: Thursday, July 30, 2015 4:30 PM
To: Dave Kubeczko - DNR
Cc: Shauna DeMattee; Haddock, Reed
Subject: Re: Caerus Piceance LLC, Mesa N6-796 Pad, SESW Sec 6 T7S R96W, Garfield County, Form 2A#400845428 Review

Hi Dave,

Caerus concurs with the COAs for Mesa N6-796 pad; please proceed with the OGLA review.

Thank you!

Crissy Venturo

Regulatory Analyst
Progressive Consulting, Inc.
Cell: 720-352-7916

cventuro@progressivepcs.net

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From: Dave Kubeczko - DNR <dave.kubeczko@state.co.us>
Sent: Thursday, July 23, 2015 12:28 PM
To: Crissy Venturo
Subject: Caerus Piceance LLC, Mesa N6-796 Pad, SESW Sec 6 T7S R96W, Garfield County, Form 2A#400845428 Review

Crissy,

I have been reviewing the Mesa N6-796 Pad **Form 2A (#400845428)**. COGCC would like to attach the following conditions of approval (COAs) based on the information and data Caerus Piceance LLC (Caerus) 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/regarding/reconstruction, rig mobilization, spud, pipeline testing, start of hydraulic stimulation operations, and start of flowback operations (if different that stimulation) using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

COA 99 - ROAN RIM NTO: Notice to Operators (NTO) Drilling Wells on the Roan Plateau in Garfield County: Operator shall comply with all provisions of the June 12, 2008 Notice to Operators (NTO) Drilling Wells Within ¼ Mile of the Rim of the Roan Plateau in Garfield County – Pit Design, Construction, and Monitoring Requirements. At a minimum, all pits (if constructed) must be lined.

COA 37 - The operator shall submit, and receive approval of, a reuse and recycling plan per Rule 907.a.(3), prior to any offsite reuse/recycling of cuttings.

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 Construction Layout Drawings, Facility Layout Drawing, and Location Drawing); 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 per CDPHE requirements 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 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 57 - The nearby hillside must be monitored for any day-lighting of drilling fluids throughout the drilling of the surface casing interval.

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 drill cuttings managed onsite shall be kept 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. After the drill cuttings have been amended (if necessary) 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. 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.

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 lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) 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:

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.

The following conditions of approval (COAs) will apply to the proposed injection well **Puckett SWD, N6-796:**

Planning: The following conditions of approval (COAs) will apply:

COA 2 - Approval of this Form 2A and the Form 2 for the injection well (**#400845773**) does not authorize operator the right to inject. Authorization to inject into the selected Formation(s) requires approval of both the Form 31 and the Form 33.

Construction: The following conditions of approval (COAs) will apply:

COA 46 - Operator will use qualified containment devices for all appropriate chemicals/hazardous materials and injection equipment (pumps) used onsite during the operation of the injection well.

COA 41 - All tanks and aboveground vessels containing fluids must have secondary containment structures. All secondary containment structures/areas must be lined. Operator must ensure a minimum of 110 percent secondary containment for the largest structure containing fluids within each bermed area at the facility during operations. The construction and lining of the secondary containment structures/areas shall be supervised by a professional engineer or their agent.

COA 51 - Operator shall equip and maintain on all tanks an electronic level monitoring device.

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

COA 22 - Unless otherwise determined by COGCC staff that a water sample of the proposed injection formation is not required, before hydraulic stimulation of the injection well, operator shall collect a groundwater sample from the Ohio Creek Formation and analyze for total dissolved solids (TDS); submit laboratory analytical results to COGCC (emails: bob.koehler@state.co.us and arthur.koelspell@state.co.us).

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
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Western Colorado

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