

STATE OF
COLORADO

Andrews - DNR, Doug <doug.andrews@state.co.us>

COGCC form 2A review of Extraction's Meader 5-N Pad location - Doc #400864567

2 messages

Andrews - DNR, Doug <doug.andrews@state.co.us>
To: Regulatory members <regulatory@petro-fs.com>

Mon, Sep 21, 2015 at 11:38 AM

Jennifer.

I have reviewed the referenced Form 2A Oil & Gas Location Assessment and have the following comments.

- 1) You have indicated the right to construct this proposed oil and gas location is granted by a Surface Use Agreement (SUA); however, the attached SUA appears to be between the surface owner (Meader Ranch, Inc.) and 8 North LLC with the consent of CCALT. How exactly does Extraction Oil & Gas relate to this SUA?
- 2) You have included an operator comment that indicates drill cuttings may be hauled offsite to be re-used by land application on COGCC approved land farms. Only water based bentonitic drill cuttings can be land applied on a COGCC approved land farms and both the Waste Management Plan and the Drilling/Completion Operations BMP make no mention of the oil-based drill cuttings being taken offsite to a COGCC approved land farm. Therefore, I'd like to either remove that operator comment or you can provide me with a revised operator comment that more clearly distinguishes the acceptable disposal options between water-based and oil-based cuttings.
- 3) Because you have indicated that Extraction plans to use oil based drilling fluids and that drill cuttings may be recycled and re-used on location using Bio-Remediation, the following Condition of Approval will be placed on the Form 2A: *"The Operator shall prepare and submit for prior Director approval a Form 27 Site Investigation and Remediation Workplan for the onsite land treatment of oily waste (drill cuttings that contain hydrocarbons) in accordance with Rule 909.c.(3). The Form 27 shall include a site map showing the site layout and stockpile locations, a description of the confirmation sampling program, a description of and any pertinent literature about proposed amendments to enhance remediation of the drill cuttings, and a diagram of where cuttings will be beneficially reused."*

Please indicate if this COA is acceptable. Also, please be aware that any onsite treatment and reuse of drill cuttings must be successfully completed prior to the indicated date that interim reclamation will begin (4/1/16).

Please respond to this correspondence by October 21, 2015. If you have any questions, please contact me. Thank you.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Area

**COLORADO**Oil & Gas Conservation
Commission

Department of Natural Resources

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Jennifer Grosshans <jgrosshans@petro-fs.com>
To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>
Cc: Regulatory members <regulatory@petro-fs.com>

Tue, Sep 22, 2015 at 1:52 PM

Doug,

Please find responses to your questions and/or comments below in red.

1) You have indicated the right to construct this proposed oil and gas location is granted by a Surface Use Agreement (SUA); however, the attached SUA appears to be between the surface owner (Meader Ranch, Inc.) and 8 North LLC with the consent of CCALT. How exactly does Extraction Oil & Gas relate to this SUA?

SUA has a clause stating that it is binding upon any other assigns.

2) You have included an operator comment that indicates drill cuttings may be hauled offsite to be re-used by land application on COGCC approved land farms. Only water based bentonitic drill cuttings can be land applied on a COGCC approved land farms and both the Waste Management Plan and the Drilling/Completion Operations BMP make no mention of the oil-based drill cuttings being taken offsite to a COGCC approved land farm. Therefore, I'd like to either remove that operator comment or you can provide me with a revised operator comment that more clearly distinguishes the acceptable disposal options between water-based and oil-based cuttings.

Please update the comment to read: Drill cuttings will either be hauled off by a licensed third party transporter to a Commercial Facility, or recycled and re-used on location using Bio-Remediation. See attached Waste Management Plan.

3) Because you have indicated that Extraction plans to use oil based drilling fluids and that drill cuttings may be recycled and re-used on location using Bio-Remediation, the following Condition of Approval will be placed on the Form 2A: "*The Operator shall prepare and submit for prior Director approval a Form 27 Site Investigation and Remediation Workplan for the onsite land treatment of oily waste (drill cuttings that contain hydrocarbons) in accordance with Rule 909.c.(3). The Form 27 shall include a site map showing the site layout and stockpile locations, a description of the confirmation sampling program, a description of and any pertinent literature about proposed amendments to enhance remediation of the drill cuttings, and a diagram of where cuttings will be beneficially reused.*" Please indicate if this COA is acceptable.

This COA is acceptable.

4) Also, please be aware that any onsite treatment and reuse of drill cuttings must be successfully completed prior to the indicated date that interim reclamation will begin (4/1/16).

Extraction agrees.

Thank you for your guidance. Please let me know if you have further questions or concerns.

Respectfully,

Jennifer Grosshans

Regulatory Analyst

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From: Andrews - DNR, Doug [<mailto:doug.andrews@state.co.us>]

Sent: Monday, September 21, 2015 11:39 AM

To: Regulatory members

Subject: COGCC form 2A review of Extraction's Meader 5-N Pad location - Doc #400864567

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