

## Dave Kubeczko - DNR

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**From:** Dave Kubeczko - DNR  
**Sent:** Wednesday, September 23, 2015 10:15 AM  
**To:** dave.kubeczko@state.co.us  
**Subject:** FW: URSA Operating Company LLC, Valley Farms G Pad, SWNE Sec 14 T6S R92W, Garfield County, Form 2A#400829004 Review  
**Attachments:** Valley Farms G Pad - Operator Certification of Compliance - 07-10-15.pdf  
**Categories:** Operator Correspondence

Scan No. 2107645

OPERATOR CORRESPONDENCE

2A#400829004

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**From:** Jennifer Lind [mailto:[jlind@ursaresources.com](mailto:jlind@ursaresources.com)]  
**Sent:** Wednesday, September 23, 2015 9:11 AM  
**To:** Dave Kubeczko - DNR  
**Subject:** RE: URSA Operating Company LLC, Valley Farms G Pad, SWNE Sec 14 T6S R92W, Garfield County, Form 2A#400829004 Review

Dave, Ursa concurs with the COA's as outlined below. The 306.e. certification is also attached.

Thank you,  
Jennifer

**Jennifer Lind**  
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**From:** Dave Kubeczko - DNR [mailto:[dave.kubeczko@state.co.us](mailto:dave.kubeczko@state.co.us)]  
**Sent:** Wednesday, September 23, 2015 8:09 AM  
**To:** Jennifer Lind <[jlind@ursaresources.com](mailto:jlind@ursaresources.com)>; Cari Mascioli <[CMascioli@ursaresources.com](mailto:CMascioli@ursaresources.com)>  
**Subject:** URSA Operating Company LLC, Valley Farms G Pad, SWNE Sec 14 T6S R92W, Garfield County, Form 2A#400829004 Review

Jennifer and Cari,

I have been reviewing the Valley Farms G Pad **Form 2A #400829004**. COGCC requests that URSA Operating Company LLC (URSA) submit evidence/certification that it has complied with the requirements of **Rule 306.e**. Based on COGCC's review, 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.

**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.

**URSA needs to provide COGCC with a letter certifying that they have complied with the meeting requirements of Rule 306.e. above.**

**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, start of flowback operations (if different than the start of 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).

**COA 91a** - Operator will implement sufficient public notification of proposed oil and gas activities.

**COA 91b** - Operator will review local governmental requirements for access from public roads.

**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 (at a minimum as described in 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 (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 maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages or ditches leading to surface water.

**COA 76** - Strategically apply fugitive dust control measures, including encouraging established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

**COA 41** - Operator will provide temporary engineering controls to prevent uncontrolled public access during drilling and completion activities.

**COA 43** - Operator will take aggressive action to establish vegetation on cut and fill slopes to prevent storm water erosion and the generation of fugitive dust.

**COA 58** - Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner or equivalent) 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. Operator indicates that cuttings will be disposed of offsite. No onsite disposal of cuttings or disposal to another oil and gas location shall occur without prior approval of a Form 4 Sundry Notice specifying disposal location (onsite or another URSA location) and waste characterization method. Any 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. Land-farming of E&P waste is prohibited on the location; however, this shall not preclude onsite disposal of E&P waste in accordance with COGCC Rules and permit conditions. 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.

**COA 52** - Lighting abatement measures beyond the requirements of **Rule 803**. shall be implemented, including the following, at a minimum: (1) rig oriented to direct light away from nearby residents; and (2) install lighting shield devices on all of the more conspicuous lights.

**COA 53** - Emissions from condensate, crude oil, and produced water tanks and from glycol dehydrators shall be controlled as described in **Rule 805.b.(2)**, notwithstanding the exceptions for production facilities emitting less than five tons per year (TPY) of volatile organic compounds (VOC).

**COA 54** - Air quality and odor controls will be implemented and will include the following : (1) flowback stream to be routed from wellhead to a separator and then to a sealed flowback tank, with non-salable gas sent to a temporary flare or VOC combustor; (2) oil or condensate captured during separation process will be sent to a tank with emissions controls; (3) frac/flowback storage tank hatches shall operate with hydrocarbon absorbing blankets to control odors; and (4) operator will comply with the green completions section under **Rule 805.b.(3)**.

**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 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.

**Material Handling and Spill Prevention:** The following conditions of approval (COAs) will apply to the Form 2A Permit if any temporary surface pipelines (poly or steel) or buried (poly or steel) pipelines are used during operations at the well pad location or nearby well pads:

**COA 45** - Operator shall pressure test pipelines (flowlines upstream of the point of sale) 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 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. This will reduce surface disturbance.

**Underground Injection Control (UIC):** The following conditions of approval (COAs) will apply to the proposed injection well **Valley Farms G 42EWI-14-06-92** and any temporary or permanent equipment onsite used for injection:

**COA 2** - Approval of this Form 2A and the Form 2 for the injection well (Form 2# 400834387) 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.

**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.

**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 Iles Formation and analyze for total dissolved solids (TDS); submit laboratory analytical results to COGCC (emails: [bob.koehler@state.co.us](mailto:bob.koehler@state.co.us) and [arthur.koelspell@state.co.us](mailto:arthur.koelspell@state.co.us)).

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:

**C. Green Completions – Emission Control Systems.**

**F. Leak Detection Plan.**

**M. Fencing requirements.**

**N. Control of fire hazards.**

COGCC would appreciate your concurrence with attaching these COAs to the Form 2A permit prior to passing the OGLA review. The above COAs have been previously attached to URSA's existing, and nearby well pads; and are consistent with URSA's proposed BMPs. 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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