

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Wednesday, October 28, 2015 3:55 PM
To: dave.kubeczko@state.co.us
Subject: FW: Black Hills Plateau Production LLC, Winter Flats 10-31-99 Pad, NWNE Sec 10 T9S R99W, Mesa County, Form 2A (#400861229) and Form 15 (400879456) Reviews
Attachments: MLVT PACKAGE.pdf; WF 10-31-99_MLVT LocDrawingv2.pdf
Categories: Operator Correspondence

Scan No 2107666

CORRESPONDENCE

2A#400861229

15#400879456

From: Donahue, Jessica [mailto:Jessica.Donahue@blackhillscorp.com]
Sent: Wednesday, October 28, 2015 3:15 PM
To: 'Dave Kubeczko - DNR'
Subject: RE: Black Hills Plateau Production LLC, Winter Flats 10-31-99 Pad, NWNE Sec 10 T9S R99W, Mesa County, Form 2A (#400861229) and Form 15 (400879456) Reviews

Dave,

I finally have gotten everyone's feedback and Black Hills concurs with the COAs you have listed below. I have attached the MLVT documentation for the tank we will be setting as well as a location drawing with the tank in place.

Please let me know if you need anything else.
Jessica

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Thursday, October 01, 2015 10:24 AM
To: Donahue, Jessica
Subject: Black Hills Plateau Production LLC, Winter Flats 10-31-99 Pad, NWNE Sec 10 T9S R99W, Mesa County, Form 2A (#400861229) and Form 15 (400879456) Reviews

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Jessica,

I have been reviewing the Winter Flats 10-31-99 Pad **Form 2A #400861229** and **Form 15 #400879456**. COGCC will need additional information concerning the Modular Large Volume Tank (MLVT) proposed to be used at the well pad. I have attached a copy of the Final MLVT Policy, which details the information that is needed on the current Form 2A (COGCC will need at a minimum, a site drawing showing the location of the tank on the pad, and a statement from Black Hills certifying that they will adhere to all of the requirements in the MLVT Policy); other information that is required in the policy can either be sent now to be placed on the Form 2A, or submitted later on a Form 4 Sundry prior to constructing the tank onsite.

COGCC would like to attach (to the Form 2A and the Form 15) the following conditions of approval (COAs) based on the information and data Black Hills Plateau Production LLC (Black Hills) has submitted on or attached to the Form 2A and Form 15 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 construction, pit construction (if different than pad construction), pit liner installation, multi-well pit hydrostatic testing, start of use of multi-well pit, start of modular large volume tank (MLVT) 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).

In addition, this location has been designated a “sensitive area” due to proximity to downgradient surface water (intermittent stream located approximately 414’ to the southeast) as shown on COGCC’s Online GIS Topo Map, Aerial, and operator submitted Hydrology Map.

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 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 encouraging established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

COA 24 - Operator shall stabilize exposed soils and slopes as an interim measure during operations at this pit site.

COA 25 - Flowback and stimulation fluids from the wells/pads being completed using fluids from this pit (if applicable) must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or storage vessel, or lined pit (only if a Form 15 Earthen Pit Permitted has been submitted/approved, which operator has done) located on the well pad; or into tanker trucks for delivery back to this pit. 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 58 - Berms or other containment devices around crude oil, condensate, and produced water storage tanks shall be constructed to be sufficiently impervious (corrugated steel with poly liner or equivalent protection) to contain any spilled or released material.

COA 6 - Additional containment shall be required where temporary or permanent pumps and other necessary equipment or chemicals are located.

COA 74 - Operator will use adequately sized containment devices for all chemicals and/or hazardous materials stored or used on location.

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

COA 11 - The moisture content of water/bentonite based mud (WBM) generated 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 WBM 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 12 - A closed loop system must be implemented during drilling. If operator needs to use oil based mud (OBM) or high chloride/TDS based mud (salt based mud [SBM]), then the following requirements will be necessary. All cuttings generated during drilling with OBM or SBM must be kept in tanks/containers, or placed

on a lined/bermed portion of the well pad; prior to disposition. The moisture content of any OBM- or SBM-generated 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. At the time of closure, if any of the drill cuttings are to be left onsite (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), they must also meet the applicable standards of Table 910-1. Operator has indicated that all cuttings will be manifested and disposed offsite at an approved commercial facility. All liners associated with OBM or SBM cuttings must be disposed of offsite per CDPHE rules and regulations.

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 the lined multi-well pit 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 with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

COA 40 - Operator will implement measures to ensure that adequate separation of hydrocarbons from the influent occurs to prevent accumulation of oil on the surface of stored completions fluids. Operator shall also employ a method for monitoring buildup of phase-separated hydrocarbons on the surface of stored fluids.

COA 41 - No oil is permitted on the surface of completions fluids.

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 Permit if any temporary surface (**COA 55**) or buried permanent (**COAs 45 and 55**) pipelines (poly or steel) are used during operations at the well pad location or nearby well pads:

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.

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.

Form 15 Pit Permit Construction/Operation/Material Handling and Spill Prevention: The following conditions of approval (COAs) will apply to the Form **15#400879456** Pit Permit (for the proposed multi-well pit):

COA 47 - The multi-well pit must be double-lined (minimum 24 mil thickness for each liner). The pit will also require a leak detection system (Rule 904.e).

COA 48 - Operator must submit as-built drawings (plan view and cross-sections) of the multi-well pit within 30 calendar days of construction.

COA 39 - No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

COA 49 - For pits containing fluids other than freshwater only; the pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.

COA 22 - After installation of the uppermost liner and prior to operating the pit, the synthetic liner(s) shall be tested by filling the pit with at least 70 percent of operating capacity of water, measured from the base of the pit (not to exceed the 2-foot freeboard requirement). The operator shall monitor the pit for leaks for a period of 72 hours prior to either draining the pit or commencing operations. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) 48 hours prior to start of the hydrotest. Hydrotest monitoring results must be maintained by the operator for the life of the pit and provided to COGCC prior to using the pit.

COA 6 - Additional containment shall be required where temporary or permanent pumps and other necessary equipment or chemicals are located.

COA 74 - Operator will use adequately sized containment devices for all chemicals and/or hazardous materials stored or used on location.

COA 24 - 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 pit fluids.

COA 40 - Operator will implement measures to ensure that adequate separation of hydrocarbons from the influent occurs to prevent accumulation of oil on the surface of stored completions fluids. Operator shall also employ a method for monitoring buildup of phase-separated hydrocarbons on the surface of stored fluids.

COA 41 - No oil is permitted on the surface of completions fluids.

COA 19 - This multi-well pit will comply with **Rule 902. PITS - GENERAL AND SPECIAL RULES**. e. Pits used for a period of no more than three (3) years for storage, recycling, reuse, treatment, or disposal of E&P waste or fresh water, as applicable, may be permitted in accordance with **Rule 903** to service multiple wells. The three year time clock will start from the date of first use after hydrostatic testing and be based on submittal of the Form 42 providing that date.

COA 27 - The multi-well pit shall be closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels; with an approved Site Investigation and Remediation Workplan, Form 27.

COA 28 - Submit additional disposal facilities (wells, pits, etc.), if necessary (i.e., if original disposal option changes), for pit liquid contents to COGCC via a Form 4 Sundry prior to disposal.

COA 80 - The operator shall submit a Form 27 for COGCC review and approval prior to commencing pit closure activities. The operator shall also submit a Notice of Completion for COGCC review and approval within 30 days of concluding pit closure activities.

COGCC would appreciate your concurrence with attaching these COAs to the Form 2A and Form 15 permits prior to passing the OGLA review. In addition, could Black Hills provide COGCC with the COAs and wildlife stipulations that BLM has attached to this location if you have them, or when you receive them. 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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