

**STATE OF
COLORADO****Andrews - DNR, Doug <doug.andrews@state.co.us>**

Gillham and Cecil's Comments

3 messages

Venessa Langmacher <Venessa.Langmacher@pdce.com>

Mon, Nov 23, 2015 at 10:54 AM

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

Good Morning Doug,

Below are the comments for the Gillham and Cecil's Kersey Farm locations:

Gillham Doc #400927114

PDC's long term development plans for this wellpad is to drill 10 wells. The survey plats currently show all 10 potential locations. However, the production facility count is only for the 5 wells that are currently confirmed. The remaining 5 wells are still in the planning process and when they are confirmed an amended Form 2A will be submitted along with a revised multi well diagram and facility count.

Cecil's Kersey Farms Doc #400934705

PDC's long term development plans for this wellpad is to drill 10 wells. The survey plats currently show all 10 potential locations. However, the production facility count is only for the 8 wells that are currently confirmed. The remaining 2 wells are still in the planning process and when they are confirmed an amended Form 2A will be submitted along with a revised multi well diagram and facility count.

Thank you !!!



Venessa Langmacher

Senior Regulatory Technician

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Andrews - DNR, Doug <doug.andrews@state.co.us>
To: Venessa Langmacher <Venessa.Langmacher@pdce.com>

Tue, Dec 1, 2015 at 8:55 AM

Venessa,

I have reviewed the referenced Form 2A Oil and Gas Location Assessment (Document #400927114) and have the following comments.

1) In the Water Resources section you have indicated the estimated depth to groundwater is 43 feet based on the nearest water well Permit #287536. A review of that permit indicates that water well is located over a mile away from this proposed Oil and Gas Location in Section 16 to the east. While the nearest water well (Permit #251498) does appear to be 812 feet from the proposed Oil and Gas Location, no static water level is listed. During my review, the nearest water well with a static water level is Permit #12735-R located approximately 1,200 feet away in Section 17. The static water level for this well is 23 feet. Therefore, I would like to change the estimated depth to groundwater from 43 feet to 23 feet.

2) In the Surface & Minerals section you have indicated the right to construct this proposed Oil and Gas

Location is granted by a Surface Use Agreement (SUA). However, a signed copy of the SUA was not included on the Form 2A. Please provide me with a signed copy of the SUA for this proposed Oil and Gas Location and I will add it to the Form 2A.

3) In the Facilities section you have indicated there will be six Modular Large Volume Tanks (MLVTs) on this Oil and Gas Location. Per the COGCC Policy on the Use of MLVTs the Operator must provide a Best Management Practice (BMP) certifying that the MLVTs will be designed and implemented consistent with this policy. Please provide me with this BMP and I will add it to the Form 2A.

4) Now that the Public Comment period has ended, please provide me with a letter certifying PDC Energy's compliance with COGCC Rule 306.e. If any meetings/consultations were requested, please also indicate what their outcome was.

Please respond to this correspondence by January 1, 2016. If you have any questions, please contact me. Thanks you.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Area



COLORADO

Oil & Gas Conservation
Commission

Department of Natural Resources

1120 Lincoln St., Suite 801
Denver, CO 80203
doug.andrews@state.co.us
303-894-2100 Ext. 5180

Venessa Langmacher <Venessa.Langmacher@pdce.com>
To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>

Wed, Dec 2, 2015 at 7:51 AM

Good Morning Doug!

Please see my notes below.

From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]
Sent: Tuesday, December 01, 2015 8:55 AM
To: Venessa Langmacher
Subject: Re: Gillham and Cecil's Comments

Venessa,

I have reviewed the referenced Form 2A Oil and Gas Location Assessment (Document #400927114) and have the following comments.

1) In the Water Resources section you have indicated the estimated depth to groundwater is 43 feet based on the nearest water well Permit #287536. A review of that permit indicates that water well is located over a mile away from this proposed Oil and Gas Location in Section 16 to the east. While the nearest water well (Permit #251498) does appear to be 812 feet from the proposed Oil and Gas Location, no static water level is listed. During my review, the nearest water well with a static water level is Permit #12735-R located approximately 1,200 feet away in Section 17. The static water level for this well is 23 feet. Therefore, I would like to change the estimated depth to groundwater from 43 feet to 23 feet. **Agreed**

2) In the Surface & Minerals section you have indicated the right to construct this proposed Oil and Gas Location is granted by a Surface Use Agreement (SUA). However, a signed copy of the SUA was not included on the Form 2A. Please provide me with a signed copy of the SUA for this proposed Oil and Gas Location and I will add it to the Form 2A. **Attached**

3) In the Facilities section you have indicated there will be six Modular Large Volume Tanks (MLVTs) on this Oil and Gas Location. Per the COGCC Policy on the Use of MLVTs the Operator must provide a Best Management Practice (BMP) certifying that the MLVTs will be designed and implemented consistent with this policy. Please provide me with this BMP and I will add it to the Form 2A.

MLVTs:

PDC Energy, Inc. (PDC) has developed Best Management Practices (BMPS) to prevent injuries, property damage or environmental impacts and a Contingency Plan for any Modular Large Volume Tank (MLVT) leak or catastrophic failure of the tank integrity and resulting loss of fluid. These BMPs include, but not limited, by the following:

1) PDC determines MLVT locations based on size of location, nearby surface waters, site visibility, surrounding land use, property lines, onsite traffic, site security, tear-away tank fill connections, topography (high, low, slope, direction), nearby building units, roads, access points, and surface owner requests.

2) Signs shall be posted on each MLVT to indicate that the contents are fresh water and that no E&P waste fluids are allowed. Location and additional signage shall conform to Rule 210.

3) MLVTs will be operated with a minimum of 1 foot freeboard at all times.

4) Access to the tanks shall be limited to operational personnel.

5) Construction and installation of the tank structure, liner and sub-grade shall meet or exceed the manufacturer specifications. PDC follows manufacturer's Standard Operating Procedures (SOPs) and will provide these SOPs upon request to the COGCC.

6) PDC will conduct daily, visual inspections of the exterior wall and general area for any integrity deficiencies before, during, and after filling the MLVTs. PDC uses Construction Sign-Off, Site Preparation Sign-Off, Completion Sign-Off, Pre-Fill, and Site Visit checklists to maintain a written record of inspections. However, when the fluid level in the MLVTs is less than two (2) feet and there is no activity going on (i.e. during holidays or a small break between completions), only intermittent inspections will be conducted. Two feet is the safe volume of fluid level that is needed to hold the liner down and keep the MLVT stable.

7) Each location where MLVT's are used will have its own set of unique site-specific characteristics and associated risks (e.g., rural vs. urban setting, grade of the location, etc.) to be considered in a worst case scenario. These characteristics must be identified and addressed prior to the MLVT construction phase and

should be documented in the MLVT construction checklist. Ensuring the safety of our employees, contractors, and the public are a top priority. This can be addressed with the implementation of MLVT pre-construction risk assessment measures to address safety concerns, and minimize environmental impacts and property damage in the unlikely event of a MLVT release.

8) In the event of a catastrophic MLVT failure, the Operator shall notify the COGCC as soon as practicable but not more than 24 hours after discovery, submit a Form 22-Accident Report within 10 days after discovery, conduct a "root cause analysis", and provide same to COGCC on a Form 4-Sundry Notice within 30 days of the failure.

9) The MLVT shall be constructed and operated in accordance with a design package certified and sealed by a Licensed Professional Engineer either in Colorado or the state where the MLVT was designed or manufactured.

10) COGCC Rules 605.a.(3,5,6,7, and 8), as applicable to tank setbacks at the time of installation shall apply to the siting of this MLVT.

11) All MLVT liner seams shall be welded and tested in accordance with applicable ASTM international standards. Any repairs to liners shall be made using acceptable practices and applicable standards.

12) PDC Energy Inc. hereby certifies to the Director that the Modular Large Volume Tanks, utilized for the afore mentioned location, will be designed and implemented consistent with the Colorado Oil and Gas Conservation Commission policy dated June 13, 2014.

MLVT Certification

PDC Energy Inc. hereby certifies to the Director that the Modular Large Volume Tanks, utilized for the afore mentioned location, will be designed and implemented consistent with the Colorado Oil and Gas Conservation Commission policy dated June 13, 2014.

4) Now that the Public Comment period has ended, please provide me with a letter certifying PDC Energy's compliance with COGCC Rule 306.e. If any meetings/consultations were requested, please also indicate what their outcome was. **Attached**

Please respond to this correspondence by January 1, 2016. If you have any questions, please contact me. Thanks you.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Area



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2 attachments



SUA.pdf

676K



306e Meeting Requirements Certification Letter to Director_NO MEETING_Gillham 5N64W18XY.pdf

212K