

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Monday, February 01, 2016 2:35 PM
To: Dave Kubeczko
Subject: Catamount Energy Partners LLC, Morales 34-6-6U 1 Pad, Lot 2 (SWSE) Sec 6 T34N R6W, La Plata County, Form 2A #400795491 Review

Categories: Operator Correspondence

Scan No 2107759

OPERATOR WILDLIFE CORRESPONDENCE

2A#400795491

From: Nolan Redmond [mailto:nredmond@catamountep.com]
Sent: Wednesday, January 27, 2016 9:18 AM
To: Dave Kubeczko - DNR
Subject: RE: Catamount Energy Partners LLC, Morales 34-6-6U 1 Pad, Lot 2 (SWSE) Sec 6 T34N R6W, La Plata County, Form 2A #400795491 Review

Dave,

That looks good. Thanks for all your help on this.

Nolan Redmond
Catamount Energy Partners
1801 Broadway Suite 1000
Denver CO 80202
nredmond@catamountep.com
720-484-2347 Office
303-909-3587 Cell



From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Wednesday, January 27, 2016 9:14 AM
To: Nolan Redmond <nredmond@catamountep.com>
Subject: RE: Catamount Energy Partners LLC, Morales 34-6-6U 1 Pad, Lot 2 (SWSE) Sec 6 T34N R6W, La Plata County, Form 2A #400795491 Review

Nolan,

The following updated BMP 1 has been placed on the Form 2A:

BMP 1 - In order to avoid impacts to wintering big game, operator will not conduct surface disturbing activities, construction activities, drilling, **or completion** activities from December 1-**April 15** annually for the life of the well (this does not include pipeline construction).

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
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From: Nolan Redmond [mailto:nredmond@catamountep.com]
Sent: Tuesday, January 26, 2016 3:59 PM
To: Dave Kubeczko - DNR
Subject: RE: Catamount Energy Partners LLC, Morales 34-6-6U 1 Pad, Lot 2 (SWSE) Sec 6 T34N R6W, La Plata County, Form 2A #400795491 Review

Dave,

Thanks for the email. We concur with everything except BMP #1. As we've stated before, we can't agree to BMP #1 as it doesn't allow us to build the full pipeline beginning before April in order to fulfill the landowner's request per the attached email from the landowner. Additionally, we believe BMP #1 should read April 15th and not April 30th.

The memo from the landowner, sent via email on 12/16/2015 clearly states this and is also pasted below for your reference.

"Brian,

I had no idea that attention to these recommendations would stop the building of the Catamount pipeline in Feb. At our meeting together on the 11 of Dec. everyone agreed that it would be constructed in Feb. of 2016 due to the irrigation and planting needs of the lands involved. I also agree that it should be constructed at that time.

I apologize for any confusion on this matter.

Thank you,

Marcia Morales"

We do however agree to BMP#1 if it is re-written as this : **BMP 1** - In order to avoid impacts to wintering big game, operator will not conduct surface disturbing activities, construction activities, drilling, or non-emergency workover activities from December 1-April 15 annually for the life of the well (this does not include pipeline construction).

Thanks,

Nolan Redmond
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720-484-2347 Office
303-909-3587 Cell



From: Dave Kubeczko - DNR [<mailto:dave.kubeczko@state.co.us>]

Sent: Tuesday, January 26, 2016 1:26 PM

To: Nolan Redmond <nredmond@catamountep.com>

Subject: Catamount Energy Partners LLC, Morales 34-6-6U 1 Pad, Lot 2 (SWSE) Sec 6 T34N R6W, La Plata County, Form 2A #400795491 Review

Importance: High

Nolan,

I have been reviewing the Morales 34-6-6U 1 Pad **Form 2A#400795491**. COGCC would like to attach the following conditions of approval (COAs) based on the information and data Catamount has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Planning: The following condition of approval (COA) will apply:

COA 91 - In addition to the notifications required by COGCC listed in **Rule 316C. COGCC Form 42. FIELD OPERATIONS NOTICE (a. Notice of Intent to Conduct Hydraulic Fracturing Treatment; b. Notice of Spud; and c. Notice of Construction or Major Change)**; operator shall notify the COGCC 48 hours prior to rig mobilization and pipeline testing (flowlines from wellheads to separators to tanks; and/or any temporary surface lines used for hydraulic stimulation and/or flowback operations) using the Form 42 (as described in **Rule 316C.m. Notice of Completion of Form 2/2A Permit Conditions**). The appropriate COGCC individuals will automatically be email notified.

In addition, this location has been designated a "sensitive area" due to proximity to downgradient surface water (173') and potential for shallow groundwater (18' below ground surface).

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

COA 23 - Operator must ensure secondary containment for any volume of fluids contained at the well site during drilling and completion operations (as listed in the Operator COA/BMP Section of the Form 2A); 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 fluid containment/control as well as stormwater management for the control of run-on and run-off) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized,

inspected at regular intervals as required by CDPHE (at least every 14 days and after precipitation events), and maintained in good condition. The design/build of any perimeter berm shall be sized, constructed, and compacted sufficiently to contain fluids during drilling operations, as well as all fluids contained in temporary frac tanks during completion operations.

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 to reduce fugitive dust and coating of vegetation and deposition in water sources.

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 produced water storage tanks.

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

COA 38 - The moisture content of any cuttings in a cuttings trench or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts.

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.

COA 26 - Potential odors associated with the completions process and/or with long term production operations must be controlled/mitigated.

COA 85 - Because of proximity of the well pad to nearby Crowbar Creek and other surface water drainages to the west and north, operator will grade the well pad surface to slope towards the south.

Material Handling and Spill Prevention: The following conditions of approval (COAs) will apply:

COA 45 - Operator shall pressure test pipelines (flowlines from wellhead to separator to tanks; and any temporary surface lines used for hydraulic stimulation and/or flowback operations) 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. All permanent flowlines from wellhead to separator and from the separator to the tanks will also be pressure tested annually.

Operator COAs/BMPs: The following BMPs were placed on the Form 2A Permit (on the Operator BMP/COA tab) per operator request:

Construction:

Construction/Interim Reclamation - Prior to the start of drilling and completion operations a tertiary berm will be constructed around the wellpad to provide secondary containment to prevent spills, releases, and pollution. The wellpad will be graded to slope to the south into a sediment trap lined with cobbles on the south side of the pad inside the perimeter of the berm. Collection trenches around the inside of the berm will direct runoff to the sediment trap, which will be gated and have a cobble outfall. Upon interim reclamation the pad will be pulled back from the western and southern boundaries and the berm to the north will be left in place. Two collection ditches along the western and eastern edges of the pad will be constructed and graded to direct flow into an oversized rock filled sediment basin on the southern side of the pad. The basin will be surrounded by straw wattles and/or silt fencing.

Drilling/Completions Operations:

High Chloride/TDS Drilling Mud Handling and Containment - Drilling mud or brine will be contained in above ground steel tanks. Drill cuttings and solids that have been separated from the drilling fluid by the shale shakers, mud cleaner or centrifuge will be captured in above ground portable steel cuttings bins and hauled to a third party, offsite, disposal site that is permitted as required by applicable State and Federal rules and regulations. Excess drilling fluid will be stored in above ground portable steel tanks and will be transferred to the active circulating system as needed. At the completion of drilling activity remaining drilling fluid will be used on another well or disposed of as allowed by Local, State and Federal law. The well pad will have a secondary containment berm to prevent spills, releases, and pollution. The berm will be capable of containing 110% of the fluids stored on location. Groundwater will be protected by two strings of steel casing, both of which will be cemented to surface.

Material Handling and Spill Prevention:

Produced Water Containment - Produced water will be temporarily stored in above ground steel tanks until transported to commercial disposal facilities. The on-site storage tanks will consist of two 400 barrel tanks situated inside industrial grade polyethylene walls, 3 feet in height. The inside of the containment walls and all footage contained within the walls will be lined with a 40 mil polyethylene liner. At a minimum, the outside the tank containment capability of the polyethylene walls will exceed 500 barrels (125% of the largest tank). All tanks will comply with Colorado Oil & Gas Commission rules and regulations regarding manufacture and labeling.

Tank Level Monitoring - The amount of water in the tanks will be monitored continuously by Catamount's SCADA system which includes continuous, real-time tank level data recording and feed. Radar in each tank will provide real-time liquid levels for each tank. Should either tank's water level approach a programmed maximum height a "High Level" alarm/notification will be sent to appropriate Catamount personnel who will then have the ability to remotely shut-down all operations. If levels continue to rise prior to a manual, remote shut down, the system will automatically activate a high level float switch shutting in the well and shutting off production.

CPW Wildlife Consultation/Comment: The following comment was placed on the Form 2A by CPW on 12-16-15:

"CPW recommends that the following landowner-approved measures be added as BMPs or COAs to avoid and minimize impacts to wildlife from the proposed development:

BMP 1 - In order to avoid impacts to wintering big game, operator will not conduct surface disturbing activities, construction activities, drilling, or non-emergency workover activities from December 1-April 30 annually for the life of the well (this does not include pipeline construction for the portion of the pipeline that would impact the irrigation canal).

BMP 2 - Operator will utilize the wildlife friendly seed mix described in Attachment 1 (provided to COGCC, landowner, and operator) in all interim reclamation. Operator will submit seed tags to the COGCC SW reclamation specialist within two months of seeding activities.

BMP 3 - Reptiles and amphibians are particularly sensitive to changes in water quality. The operator should collect water samples in Crowbar Creek to monitor water quality before, during and after life of facility to document and detect any changes from the well pad location. Water analysis should be submitted to the COGCC. In addition, in order to control erosion, sedimentation, and storm water runoff in a manner that does not allow stormwater to leave the pad and enter surface waters or wetlands, the operator should berm the perimeter of the entire pad and install impermeable barriers for secondary containment in immediate proximity of tanks or other vessels containing petroleum products or chemicals at this location to ensure source control and prevent site degradation.

BMP 4 - The operator indicates that they intend to use a closed loop drilling system. If this type of system is unavailable, then the reserve pits will be fenced and netted to exclude birds, bats, and other wildlife as pits are a significant risk of mortality to wildlife.

BMP 5 - Secondary containment catchment basins for any vessels holding hazardous materials will be screened to exclude birds, bats, and other wildlife.

BMP 6 - Exhaust vent stacks on production equipment will be screened to exclude birds, bats, and other wildlife. CPW has evaluated the proposed oil and gas location."

COGCC has reviewed these CPW recommended wildlife BMPs and has determined that **BMP 3** is not necessary due to the both surface water and groundwater protections provided by the well pad engineering design and controls (stormwater run-on and run-off, fluid containment, produced water containment, and flowline testing) proposed by the operator. The other 5 BMPs will be placed on the Form 2A.

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
Oil and Gas Location Assessment Specialist
Western Colorado



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