

STATE OF
COLORADO

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

COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

17 messages

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

Thu, Nov 19, 2015 at 1:27 PM

To: tmcnatt@alfa.com.mx

Cc: Holly Taylor - DNR <holly.taylor@state.co.us>, Barbara Westerdale - DNR <barbara.westerdale@state.co.us>

Tammy,

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

- 1) In the Facilities section you have indicated there will be a Drilling Pit on this oil and gas location. However, you have also indicated that a closed loop system will be used. Usually we see Operator's use one or the other of these two methods for handling drilling fluids, not both. Please confirm how Newpek will be handling the drilling fluids.
- 2) In the Facilities section you have indicated there will be a Production Pit on this oil and gas location. However, no Production Pit is shown on your Tank Pad Layout Drawing and a Form 15 Pit Permit has not been submitted. Form 15 Pit Permits must be submitted for prior approval to construct Production Pits. Please confirm if a Production Pit is planned on this oil and gas location.
- 3) In the Facilities section you have indicated there will five tanks (3 oil tanks, 1 water tank, and 1 fuel tank) on this oil and gas location. However, six tanks are shown on your Tank Pad Layout Drawing. Please confirm the number of tanks that are planned for this oil and gas location.
- 4) On your Tank Pad Layout Drawing, a meter is shown. However, no meter is listed in the Facilities section. Please confirm if a meter is planned on this oil and gas location.
- 5) In the Facilities section for the pipeline description you have indicated there are no pipelines in the vicinity of the proposed location. What we are looking for operator's to provide here is a description of all lines on the oil and gas location that run from the well to the separator to the tanks and/or meter. A simple description such as the number, size, type, and material (e.g. One 4-inch welded steel oil line will run from the wellhead to the separator to the oil tanks, One 3-inch welded steel water line will run from the wellhead to the separator to the water tank, etc.) is sufficient.
- 6) You have indicated there are no pipelines in the vicinity of the proposed location, yet the Tank Layout Drawing shows a meter, and the Facilities section lists a flare. There are two wells approximately one mile south that are producing and selling gas. What are Newpek's plans for any gas that is produced from this well?
- 7) In the Construction section you have indicated that interim reclamation is estimated to begin six months after the date planned to commence construction. Per COGCC Rule 1003.b., interim reclamation shall occur no later than three months on crop land. The Land Use for this oil and gas location is dryland crop land. Therefore, please provide a revised estimated date to begin interim reclamation.
- 8) In the Drilling Waste Management Program you have indicated that a mud farm will be utilized for disposal of fluids and cuttings. Only COGCC approved mud farms can be used.

Therefore, please provide the name, location and Facility ID# for the mud farm that Newpek intends to use for disposal of fluids and cuttings.

9) In the Cultural Distance section you have listed the same distance to all cultural items from both the well and the nearest production facility. However, your Location Drawing indicates different distances from the nearest production facility to the nearest Public Road, Above Ground Utility and Property Line (1,235 feet, 2,797 feet and 470 feet, respectively) Therefore, I would like to change these three distances to agree with the Location Drawing.

10) Because the Land Use for this oil and gas location is dryland crop land, the Reference Area Map attachment is not required. Therefore, I would like to remove it from this Form 2A.

Please respond to this correspondence by December 19, 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

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

tmcnatt <tmcnatt@alfa.com.mx>

Fri, Nov 20, 2015 at 12:14 PM

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

Cc: Holly Taylor - DNR <holly.taylor@state.co.us>, Barbara Westerdale - DNR <barbara.westerdale@state.co.us>

Thank you, Doug,

I have made my engineers aware of the discrepancies and I will respond soon with the resolutions.

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

Sent: Thursday, November 19, 2015 2:28 PM

To: tmcnatt

Cc: Holly Taylor - DNR; Barbara Westerdale - DNR

Subject: COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

[Quoted text hidden]

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

Fri, Nov 20, 2015 at 12:18 PM

Doug,

Thanks for keeping permitting in the loop!

[Quoted text hidden]

--

Barbara Westerdale

Permit Supervisor



P 303.894.2100 x5159 | F 303.894.2105

1120 Lincoln Street, Suite 801, Denver, CO 80203

barbara.westerdale@state.co.us | www.colorado.gov/cogcc

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

Tue, Dec 1, 2015 at 7:49 AM

Good morning, Doug,

I do have a question – We are planning on drilling a pilot vertical wellbore and testing the formation. If the tests are positive then we are going to come back and drill a horizontal. For the facilities there will be frac tanks and gas powered generators during the testing phase, if all goes well, then there will be production tanks, electricity and pipes run. For the form 2A, do you want everything listed or just the final facilities in a best case scenario?

Thank you,

Tammy McNatt

Drilling Technician



Williams Square – East Tower

5221 North O'Connor Blvd, Suite 830

Irving, Texas 75039

Direct: 972-556-3644

Cell: 817-724-2756

Fax: 972-556-3628

tmcnatt@alfa.com.mx

From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]
Sent: Thursday, November 19, 2015 2:28 PM
To: tmcnatt
Cc: Holly Taylor - DNR; Barbara Westerdale - DNR
Subject: COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

Tammy,

[Quoted text hidden]

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

Tue, Dec 1, 2015 at 9:04 AM

To: tmcnatt <tmcnatt@alfa.com.mx>, Holly Taylor - DNR <holly.taylor@state.co.us>, Barbara Westerdale - DNR <barbara.westerdale@state.co.us>

Tammy,

For the Facilities section, we'd like to see everything listed as our Field Inspectors may visit the location during both the testing phase and then later during the final production phase. It would help if you could also provide a comment I can place on the 2A that indicates what facilities will only be present during the testing phase. That will help our Field Inspectors understand better what to expect if they visit during that time. Thanks for asking.

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

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

Tue, Dec 1, 2015 at 9:09 AM

Thank you, Doug, for the clarification.

From: Andrews - DNR, Doug [<mailto:doug.andrews@state.co.us>]
Sent: Tuesday, December 01, 2015 10:05 AM
To: tmcnatt; Holly Taylor - DNR; Barbara Westerdale - DNR
Subject: Re: COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

[Quoted text hidden]

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

Thu, Dec 3, 2015 at 10:31 AM

Hi Doug –

I have most of the answers for you, I am still working on items #5 & #8.

In the comment section please include – “ It is Newpek’s intention to drill a pilot hole and test the formation, then return and drill the lateral.”

We will probably be adding a heater treater after doing some more research – do I need to have a new plat drawn if we decide to add the heater treater?

Thank you,

Tammy

From: Andrews - DNR, Doug [<mailto:doug.andrews@state.co.us>]
Sent: Thursday, November 19, 2015 2:28 PM
To: tmcnatt
Cc: Holly Taylor - DNR; Barbara Westerdale - DNR
Subject: COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

Tammy,

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

1) In the Facilities section you have indicated there will be a Drilling Pit on this oil and gas location. However, you have also indicated that a closed loop system will be used. Usually we see Operator's use one or the other of these two methods for handling drilling fluids, not both. Please confirm how Newpek will be handling the drilling fluids.

Plans are to use a closed loop disposal system with no drilling pit constructed.

2) In the Facilities section you have indicated there will be a Production Pit on this oil and gas location. However, no Production Pit is shown on your Tank Pad Layout Drawing and a Form 15 Pit Permit has not been submitted. Form 15 Pit Permits must be submitted for prior approval to construct Production Pits. Please confirm if a Production Pit is planned on this oil and gas location.

Plans are to install a flare stack in the down-wind corner of the production facility pad with no production pit constructed.

3) In the Facilities section you have indicated there will five tanks (3 oil tanks, 1 water tank, and 1 fuel tank) on this oil and gas location. However, six tanks are shown on your Tank Pad Layout Drawing. Please confirm the number of tanks that are planned for this oil and gas location.

The initial design plans are to have 3 Oil Tanks, 1 Gun Barrel Tank & 2 Water Tanks. Once the well has been tested with known production rates, the tank design will change to 6.

4) On your Tank Pad Layout Drawing, a meter is shown. However, no meter is listed in the Facilities section. Please confirm if a meter is planned on this oil and gas location.

The initial design plan was that the well, after removal of the required supply/fuel gas, would produce enough gas to sell whereby requiring measurement equipment, once the well has been

tested with known production rates.

5) In the Facilities section for the pipeline description you have indicated there are no

pipelines in the vicinity of the proposed location. What we are looking for operator's to provide here is a description of all lines on the oil and gas location that run from the well to the separator to the tanks and/or meter. A simple description such as the number, size, type, and material (e.g. One 4-inch welded steel oil line will run from the wellhead to the separator to the oil tanks, One 3-inch welded steel water line will run from the wellhead to the separator to the water tank, etc.) is sufficient.

I will provide this information after research.

6) You have indicated there are no pipelines in the vicinity of the proposed location, yet the Tank Layout Drawing shows a meter, and the Facilities section lists a flare. There are two wells approximately one mile south that are producing and selling gas. What are Newpek's plans for any gas that is produced from this well?

Once production rates are identified, plans are to identify gas sales lines in the area and negotiate a marketing agreement for the gas produced.

7) In the Construction section you have indicated that interim reclamation is estimated to begin six months after the date planned to commence construction. Per COGCC Rule 1003.b., interim reclamation shall occur no later than three months on crop land. The Land Use for this oil and gas location is dryland crop land. Therefore, please provide a revised estimated date to begin interim reclamation.

05/01/2016

8) In the Drilling Waste Management Program you have indicated that a mud farm will be utilized for disposal of fluids and cuttings. Only COGCC approved mud farms can be used. Therefore, please provide the name, location and Facility ID# for the mud farm that Newpek intends to use for disposal of fluids and cuttings.

9) In the Cultural Distance section you have listed the same distance to all cultural items from both the well and the nearest production facility. However, your Location Drawing indicates different distances from the nearest production facility to the nearest Public Road, Above Ground Utility and Property Line (1,235 feet, 2,797 feet and 470 feet, respectively) Therefore, I would like to change these three distances to agree with the Location Drawing.

Yes, please change the distances.

10) Because the Land Use for this oil and gas location is dryland crop land, the Reference Area Map attachment is not required. Therefore, I would like to remove it from this Form 2A.

Agree to remove designated map from Form 2A.

Please respond to this correspondence by December 19, 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

1120 Lincoln St., Suite 801

Denver, CO 80203

doug.andrews@state.co.us

303-894-2100 Ext. 5180

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Andrews - DNR, Doug <doug.andrews@state.co.us>
To: tmcnatt <tmcnatt@alfa.com.mx>

Thu, Dec 3, 2015 at 2:46 PM

Tammy,

In response to my question #6 concerning Newpek's plans for any gas produced from the well you indicated "[Once production rates are identified, plans are to identify gas sales lines in the area and negotiate a marketing agreement for the gas produced.](#)"

This is troubling as waiting until production testing is done to begin identifying gas sales lines and negotiating marketing agreements could result in Newpek not being in compliance with COGCC Rule 805.b.(3)B.v. and Rule 912.a.

Rule 805.b.(3)B.v - All salable quality gas shall be directed to the sales line as soon as practicable or shut in and conserved.

Rule 912.a. - The unnecessary or excessive venting or flaring of natural gas produced from a well is prohibited.

While it is possible to flare gas during production, it does require **prior approval** from us at which time we will likely inquire as to why Newpek waited until after testing to identify gas sales lines and negotiate marketing agreements. Additionally, the Colorado Department of Public Health and Environment has requirements concerning air emissions that must be in place before the location is even constructed.

As a follow-up to these concerns with emissions, what are Newpek's plans for controlling the vapor emissions from the tanks?

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

tmcnatt <tmcnatt@alfa.com.mx>

Fri, Dec 4, 2015 at 7:21 AM

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

Hi Doug,

I am calling our surveyor this morning to have him identify pipelines in this area so we can make a plan to tie into the nearest pipeline.

Tammy

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

Sent: Thursday, December 03, 2015 3:46 PM

To: tmcnatt

Subject: Re: COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

Tammy,

In response to my question #6 concerning Newpek's plans for any gas produced from the well you indicated "[Once production rates are identified, plans are to identify gas sales lines in the area and negotiate a marketing agreement for the gas produced.](#)

This is troubling as waiting until production testing is done to begin identifying gas sales lines and negotiating marketing agreements could result in Newpek not being in compliance with COGCC Rule 805.b.(3)B.v. and Rule 912.a.

Rule 805.b.(3)B.v - All salable quality gas shall be directed to the sales line as soon as practicable or shut in and conserved.

Rule 912.a. - The unnecessary or excessive venting or flaring of natural gas produced from a well is prohibited.

While it is possible to flare gas during production, it does require **prior approval** from us at which time we will likely inquire as to why Newpek waited until after testing to identify gas sales lines and negotiate marketing agreements. Additionally, the Colorado Department of Public Health and Environment has requirements concerning air emissions that must be in place before the location is even constructed.

As a follow-up to these concerns with emissions, what are Newpek's plans for controlling the vapor emissions from the tanks?

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Area

[Redacted]

1120 Lincoln St., Suite 801

Denver, CO 80203

doug.andrews@state.co.us

303-894-2100 Ext. 5180

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advise the sender by replying to this e-mail and delete this message and its attachments from your computer without retaining a copy.

tmcnatt <tmcnatt@alfa.com.mx>

Thu, Dec 10, 2015 at 9:50 AM

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

Cc: Holly Taylor - DNR <holly.taylor@state.co.us>, Barbara Westerdale - DNR <barbara.westerdale@state.co.us>

Hi Doug,

In response to item #8, Shad Martin, from Kinetic Energy, has supplied me with this information:

Newpek, LLC will be hauling all cuttings and solidified liquid drilling mud to:

Waste Management

North Weld Landfill

40000 W C R 25, Ault, CO 80610

(866) 482-6319

Please see the attached document. If I am being misinformed by Kinetic Energy, please let me know.

Thank you, Tammy

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

Sent: Thursday, November 19, 2015 2:28 PM

To: tmcnatt

Cc: Holly Taylor - DNR; Barbara Westerdale - DNR

Subject: COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

[Quoted text hidden]

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NWLF Certificate of Designation.pdf

31K

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

Mon, Dec 21, 2015 at 9:23 AM

To: tmcnatt <tmcnatt@alfa.com.mx>, Katrina Andrus - DNR <katrina.andrus@state.co.us>

Cc: Barbara Westerdale - DNR <barbara.westerdale@state.co.us>

Tammy,

Thank you for the clarification on the disposal of the drilling fluids and cuttings. I will change the Form 2A to indicate they will be disposed of Offsite at a Commercial Disposal facility.

As of now I think the only things I need from you/Newpek are a pipeline description (see my original Comment #5) and an explanation of how Newpek will control vapor emissions from the tanks (see the last sentence in my December 3rd email).

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

[Quoted text hidden]

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

Mon, Dec 28, 2015 at 2:57 PM

Doug,

Attached is a drawing and description of our planned facilities. I have our surveyor going out to locate the pipelines, should we have gas production. I will forward you this information as soon as I have it.

Thank you,

Tammy

From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]
Sent: Monday, December 21, 2015 10:24 AM
To: tmcnatt; Katrina Andrus - DNR
Cc: Barbara Westerdale - DNR
Subject: Re: COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

Tammy,

Thank you for the clarification on the disposal of the drilling fluids and cuttings. I will change the Form 2A to indicate they will be disposed of Offsite at a Commercial Disposal facility.

As of now I think the only things I need from you/Newpek are a pipeline description (see my original Comment #5) and an explanation of how Newpek will control vapor emissions from the tanks (see the last sentence in my December 3rd email).

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Area

[Redacted]

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]
[Quoted text hidden]

[Redacted]

1120 Lincoln St., Suite 801

Denver, CO 80203

doug.andrews@state.co.us

303-894-2100 Ext. 5180

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 **Facilities Layout.pdf**
37K

tmcnatt <tmcnatt@alfa.com.mx>

Wed, Jan 6, 2016 at 8:28 AM

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

Cc: Holly Taylor - DNR <holly.taylor@state.co.us>, Barbara Westerdale - DNR <barbara.westerdale@state.co.us>

Good morning, Doug,

I would like to, hopefully, clarify what it is Newpek is hoping to do. Our first objective is to drill a vertical test well. This is a real exploratory well, we have no idea what we are going to find. Our objective is to decide whether or not to renew our leases in this area. There is a vertical well to the south producing in the Niobrara and there is no gas production. Newpek is not expecting any gas production.

If the vertical well proves to be productive, Newpek will then come back and drill a horizontal well, however, it could be months before the horizontal portion is drilled. We are anxious to get the vertical portion of the well approved so we can drill the vertical test wellbore in order to make a decision on renewing our leases.

Thank you,

Tammy McNatt

Drilling Technician



Williams Square – East Tower

5221 North O'Connor Blvd, Suite 830

Irving, Texas 75039

Direct: 972-556-3644

Cell: 817-724-2756

Fax: 972-556-3628

tmcnatt@alfa.com.mx

From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]
Sent: Thursday, November 19, 2015 2:28 PM
To: tmcnatt
Cc: Holly Taylor - DNR; Barbara Westerdale - DNR
Subject: COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

Tammy,

[Quoted text hidden]

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Andrews - DNR, Doug <doug.andrews@state.co.us>
To: tmcnatt <tmcnatt@alfa.com.mx>

Wed, Jan 6, 2016 at 8:58 AM

Tammy,

Thanks for the clarification. Still waiting on an explanation of how Newpek will control vapor emissions from the tanks. I ask this because the permit will only be approved by COGCC based on the assumption the well successfully produces and Newpek will store fluids in the tanks. As with the pipelines, these are things that must be on the permit prior to our approval. It is not something that is taken care of later, if/when the well produces.

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

[Quoted text hidden]

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

Tue, Feb 9, 2016 at 9:18 AM

To: tmcnatt <tmcnatt@alfa.com.mx>

Tammy,

It has been more than a month since my last correspondence with you and I have not received a reply. Please give me an update on how Newpek will control vapor emissions from the tanks. Thank you.

Doug Andrews

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[Quoted text hidden]

tmcnatt <tmcnatt@alfa.com.mx>

Tue, Feb 9, 2016 at 9:43 AM

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

Cc: "Scott, Dan" <dscott@alfa.com.mx>

Hi Doug,

Thank you for your correspondence. I have also copied Dan Scott on the reply. He is the Director of Operations for Newpek.

Our drilling program has been suspended until the 3rd or 4th quarter. Dan would like to speak with you for some guidance on controlling the vapor emissions. When would be a good time for him to call you?

Dan Scott

[972-556-3632](tel:972-556-3632)

Thank you,

Tammy

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

Sent: Tuesday, February 09, 2016 10:18 AM

To: tmcnatt

Subject: Re: COGCC Form 2A review of Newpek's Fauver 1-20 location - Doc #400929037

Tammy,

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Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Area

[Redacted]

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Denver, CO 80203

doug.andrews@state.co.us

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On Wed, Jan 6, 2016 at 8:58 AM, Andrews - DNR, Doug <doug.andrews@state.co.us> wrote:

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Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Area

[Quoted text hidden]

[Quoted text hidden]

[Quoted text hidden]

Tammy,

[Quoted text hidden]

[Quoted text hidden]

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Andrews - DNR, Doug <doug.andrews@state.co.us>
To: tmcnatt <tmcnatt@alfa.com.mx>
Cc: "Scott, Dan" <dscott@alfa.com.mx>

Tue, Feb 9, 2016 at 9:53 AM

I have a meeting at 1PM Denver time today. Other than that, anytime today.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Area



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