

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Tuesday, October 11, 2016 4:34 PM
To: Dave Kubeczko - DNR
Subject: FW: Laramie Energy LLC, Shell 797-14-01D Pad, NWNW Sec 14 T7S R97W, Garfield County, Form 2A#401057046 Review

Categories: Operator Correspondence

Scan No. 2107988 CORRESPONDENCE 2A #401057046

From: Joan Proulx [mailto:jproulx@laramie-energy.com]
Sent: Tuesday, October 11, 2016 3:49 PM
To: Dave Kubeczko - DNR
Subject: RE: Laramie Energy LLC, Shell 797-14-01D Pad, NWNW Sec 14 T7S R97W, Garfield County, Form 2A#401057046 Review

Dave:

Laramie Energy concurs with the COAs outlined below for the Shell 797-14-01D pad Form 2A.

Regards,

Joan Proulx
Office Manager
Laramie Energy, LLC
760 Horizon Drive, Suite 101
Grand Junction, CO 81506
970-263-3641
jproulx@laramie-energy.com



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From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Tuesday, October 11, 2016 2:16 PM
To: Joan Proulx <jproulx@laramie-energy.com>

Subject: Laramie Energy LLC, Shell 797-14-01D Pad, NWNW Sec 14 T7S R97W, Garfield County, Form 2A#401057046
Review

Joan,

I have been reviewing the Laramie Energy LLC (Laramie), Shell 797-14-01D Pad **Form 2A #401057046**. COGCC would like to attach the following conditions of approval (COAs) based on the information and data Laramie 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 the **Northwest Notification Policy (Notice of Intent to Construct a New Location, Notice of Intent to Spud Surface Casing, and Notice of Intent to Commence Hydraulic Fracturing Operations)** and **Rule 316C. COGCC Form 42. FIELD OPERATIONS NOTICE (a. Notice of Intent to Conduct Hydraulic Fracturing Treatment and c. Notice of Construction or Major Change)**; operator shall notify the COGCC 48 hours prior to onsite flowline/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.

COA 99 - As indicated on the Form 2A, operator shall comply with all provisions of the **NOTICE TO OPERATORS (NTO) DRILLING WELLS WITHIN ¾ MILE OF THE RIM OF THE ROAN PLATEAU IN GARFIELD COUNTY - PIT DESIGN, CONSTRUCTION, AND MONITORING REQUIREMENTS, dated June 12, 2008**.

Based on the Construction Layout Drawings, corrected Size of location after interim reclamation in acres from 2.20 to 1.40.

In addition, based on proximity of the well pad to downgradient surface water (multiple streams and/or intermittent streams located 832' to the north, 407' to the east, 1073' to the south, and 494' to the west), and due to the potential for shallow groundwater based on a nearby water well (24' below ground surface at the closest water well), this location will be designated a "sensitive area".

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; 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 reconstructed 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.

COA 24 - Due to the highly fractured nature of the surface and shallow subsurface geologic materials (within the Uinta Formation), the nearby hillsides below the well pad shall be monitored for any day-lighting of drilling fluids throughout the drilling of the surface casing intervals for all wells.

COA 44 - The access road will be maintained as to not allow 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.

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, any 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. No liners are allowed to be disposed of with the drill cuttings. 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.

COA 25 - Flowback and stimulation fluids must be sent to enclosed tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline storage vessel, or other open top containment located on the well pad; or into tanker trucks for offsite disposal. No open top tanks can be used for initial flowback fluids containment. 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. No additional downgradient berming is required if operator constructs a sufficiently sized perimeter berm.

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 condition of approval (COA) will apply to the Form 2A Permit if any temporary surface or buried permanent flowlines and/or offsite pipelines (poly or steel) are used during operations at the well pad location or nearby well pads:

COA 45 - Operator shall pressure test pipelines (flowlines from wellheads to separators 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, and tested annually, unless agreed to by both parties that the flowlines can be managed under an approved COGCC variance.

COGCC would appreciate your concurrence with attaching these COAs to the Form 2A permit prior to passing the OGLA review. COGCC can approve this form with a timely response from Laramie. 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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