

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Monday, March 27, 2017 8:58 AM
To: Dave Kubeczko - DNR
Subject: EnCana Oil & Gas (USA) Inc (EnCana), Federal 5-8B (H5SE) Pad, SENE Sec 5 T8S R92W, Garfield County, Form 2A#401174211 Review

Categories: Operator Correspondence

Scan No. 2108088 CORRESPONDENCE 2A #401174211

From: Eckman, Jason [mailto:Jason.Eckman@encana.com]
Sent: Tuesday, March 21, 2017 4:00 PM
To: Dave Kubeczko - DNR
Subject: RE: EnCana Oil & Gas (USA) Inc (EnCana), Federal 5-8B (H5SE) Pad, SENE Sec 5 T8S R92W, Garfield County, Form 2A#401174211 Review

Hi Dave,
We concur with the COA's.

Thank you.

Jason Eckman
Senior Regulatory Analyst
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From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Wednesday, March 01, 2017 12:37 PM
To: Eckman, Jason <Jason.Eckman@encana.com>
Cc: Croteau, Jevin <JevinRobert.Croteau@encana.com>
Subject: EnCana Oil & Gas (USA) Inc (EnCana), Federal 5-8B (H5SE) Pad, SENE Sec 5 T8S R92W, Garfield County, Form 2A#401174211 Review
Importance: High

Jason and Jevin,

I have been reviewing the EnCana Oil & Gas (USA) Inc (EnCana), Federal 5-8B (H5SE) Pad **Form 2A #401174211**. EnCana has indicated on the Construction, Drilling & Waste Tab of the Form 2A and the Drilling & Waste Plans Tab of the associated Form 2, drilling fluids will be recycled and buried onsite. This is not an acceptable disposal method for drilling fluids. COGCC has revised the Form 2A **#401174211** and the one (1) associated Form2 **#401174640** as follows:

Drilling Fluids Disposal: OFFSITE

Other Disposal Description: Drilling Fluids Disposal Method - Recycled and reused offsite.

Cuttings Disposal Method - Onsite in cuttings management area (as shown on Construction Layout Drawings).

COGCC corrected distance from Production Facility to Property Line from 3826' to 3726' based on COGCC's review of the survey data on the Location Drawing attachment, the Facility Layout Drawing, and review of COGCC's Online GIS Map, 2015 Aerial Photo layer.

COGCC would like to attach the following conditions of approval (COAs) based on the information and data EnCana has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Planning: The following conditions of approval (COAs) 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 wellhead to separator 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.

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, especially, the cutthroat trout stream located approximately 1082' to the east-northeast. 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.

COA 24 - The design/build of any perimeter berm or fluid management structures shall be sized, constructed, and compacted sufficiently to contain and/or manage potential fluid releases during operations in a manner that prevents or controls potential sedimentation and scouring on adjacent lands and drainages. Such design/build of perimeter berms or fluid management structures may include, but are not limited to the following: on location berms; diversion ditches; enhanced vegetation; or other design features necessary to achieve the goal of protecting adjacent lands and drainages from potential sedimentation and scouring.

COA 28 - The location is in an area of moderate to high run-on/run-off potential; therefore standard stormwater BMPs must be implemented; prior to, during, and after construction, as well as during drilling, completion, and production operations; at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater run-off.

COA 44 - The access road will be reconstructed and 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.

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 crude oil, condensate, and produced water storage tanks.

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

COA 38 - The moisture content of 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 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 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 lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) 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.

Material Handling and Spill Prevention: The following conditions of approval (COAs) will apply to the Form 2A Permit if any temporary surface (**COAs 45, 54, and 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 (flowlines from wellheads to separators to tanks; pipelines from onsite separators to offsite storage 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.

COA 49 - Operator must routinely inspect the entire length of the surface pipeline to ensure integrity. Operator shall conduct daily inspections of surface poly pipeline routes for leaks during active transfer of fluids and implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance during pipeline monitoring. In addition, pump stations along the surface poly or steel pipeline route will be continuously monitored when operating in order to swiftly respond to such a failure.

COA 54 - Operator will implement BMPs necessary to mitigate a potential for a release of fluids to impact streams, intermittent streams, ditches, and drainage crossings. For these crossings: if poly pipe is used on the surface, operator will ensure appropriate containment by either installing over-sized pipe "sleeves" which extend the length of the crossing and beyond to a distance deemed adequate to capture (catchment basins) and/or divert any possible release of fluids and prevent fluids from reaching the stream or drainage; installing over-sized pipe "sleeves" which extend the length of the crossing and installing shut off valves on either side of crossing instead of catchment basins; or develop an alternative means for containment. For all other pipeline materials, operator will implement BMPs necessary to mitigate a potential for E&P fluids not to reach groundwater or flowing surface water.

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 temporary surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.

COGCC would appreciate your concurrence with attaching the COGCC COAs to the Form 2A permit prior to passing the OGLA review. COGCC can approve this form with a timely response from EnCana. In addition, could EnCana provide COGCC with the COAs and any wildlife stipulations that BLM has attached to this location (or when you receive them if BLM has not yet issued the Federal APD). 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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