

STATE OF
COLORADO

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

COGCC Form 2A review of Synergy Resources Leffler 8-21 Pad location - Doc #401188762

8 messages

Andrews - DNR, Doug <doug.andrews@state.co.us>
To: Erin Ekblad <eekblad@syrinfo.com>

Tue, Apr 4, 2017 at 8:26 AM

Erin,

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

- 1) In the Facilities section you have indicated that there will be two meter runs and one automation. However, the Facility Layout Drawing does not depict them. Please confirm if these facilities will be present and if so, revise the Facility Layout Drawing to show where they will be placed.
- 2) You have provided a Traffic Control BMP that states "*Dust control measures will also be utilized.*" Please revise this statement to specify the type(s) of dust control that will be utilized.
- 3) A review of your Facility Layout Drawing appears to indicate the MLVT will be placed less than 500 feet from the nearest Building Unit. Per the COGCC Policy on the Use of MLVTs "*COGCC will not approve MLVTs within 500 feet of a Building Unit or 1,000 feet of a High Occupancy Building Unit unless the Operator meets with the Director to discuss reasons for siting the MLVT at the proposed location and to discuss all potential alternative locations.*" Please provide rationale for why the MLVT is being placed within 500 feet of a Building Unit, what other alternative locations greater than 500 feet from a Building Unit were considered and why they were not selected, and what measures Synergy will undertake to prevent or mitigate damage to the Building Unit should a catastrophic release of the MLVT occur.
- 4) Now that the Public Comment period has ended, please provide me a letter certifying compliance with Rule 306.e. If any meetings/consultation were requested, please also indicate their outcome.

Please respond to this correspondence by May 4, 2017. If you have any questions, please contact me. Thank you.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Colorado



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

Erin Ekblad <EEkblad@srcenergy.com>

Thu, Apr 6, 2017 at 8:46 AM

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

Doug

Sorry I was out on vacation to play with a new puppy I just got and adjust to training him ☺

I am verifying question 1 for you and preparing the 306.e. letter today for you.

For Answers 2 and 3.

2) Traffic Control: 604.c.(2)S. Access Roads: The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. Traffic will be routed to minimize local interruption. Dust control measures consisting of applying mag. chloride will also be utilized.

3) This is the language used in our SUA. I would think that an SUA and the language below would get us through the distance to the MLVT.

(c) Owner understands and acknowledges that the COGCC has rules and regulations that apply to the distance between a wellhead and public roads, production facilities, building units, buildings, and surface property lines, among other things. In order to give full effect to the purposes of this Agreement, Owner hereby waives its right to object to the location of any of Operator's Facilities on the basis of setback requirements in the rules and regulations of the COGCC, including, but not limited to, the 150 foot setback from surface property lines and other requirements of rules 603.a.(2), and 604.a, except that the Parties intend to rely upon one or more exceptions of rule 604.b of the rules and regulations of the COGCC relating to property lines and urban mitigation areas and/or designated outside activity areas, as those terms may change or be defined and amended from time to time. For the operations contemplated by this Agreement, Owner hereby waives the urban mitigation area setback distances, as required by COGCC rules and regulations.



Erin Ekblad

Manager of Regulatory Affairs

1675 Broadway, Suite 2600; Denver, CO 80202

Cell: 303.550.2375 | Office: 720.616.4319 | E-mail: eeekblad@srcenergy.com

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

Sent: Tuesday, April 04, 2017 8:27 AM

To: Erin Ekblad <EEkblad@srcenergy.com>

Subject: COGCC Form 2A review of Synergy Resources Leffler 8-21 Pad location - Doc #401188762

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

To: Erin Ekblad <EEkblad@srcenergy.com>

Thu, Apr 6, 2017 at 9:28 AM

Erin,

In regards to the distance of the MLVT to a Building Unit, this is not something that the Surface Owner can waive or even needs to waive. To be clear, the 500 foot distance is not a setback for MLVTs in the typical sense of a setback. They can be placed within 500 feet of a Building Unit, but only with certain conditions. Our concern is that when a MLVT is placed that close to a Building Unit, the likelihood of property damage to the Building Unit and/or personal injury to someone occupying it increases considerably if a catastrophic release of the MLVT were to occur. This is why we are asking Synergy to provide clarification of why it is being placed that close, what other areas to place the MLVT were considered, why placing it greater than 500 feet is not feasible, and what measures Synergy will undertake to prevent or mitigate damage to the Building Unit should a catastrophic release of the MLVT occur. Indicating the Building Unit owner is okay with the placement, while an important part of that clarification, is not sufficient by itself for us.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Colorado



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doug.andrews@state.co.us

303-894-2100 Ext. 5180

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Erin Ekblad <EEkblad@srcenergy.com>

Thu, Apr 6, 2017 at 2:22 PM

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

Doug

I am following up on this- as see if we even need the MLVT. We might not.



Erin Ekblad

Manager of Regulatory Affairs

1675 Broadway, Suite 2600; Denver, CO 80202

Cell: [303.550.2375](tel:303.550.2375) | Office: [720.616.4319](tel:720.616.4319) | E-mail: EEKblad@srcenergy.com

From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]
Sent: Thursday, April 06, 2017 9:29 AM
To: Erin Ekblad <EEkblad@srcenergy.com>
Subject: Re: COGCC Form 2A review of Synergy Resources Leffler 8-21 Pad location - Doc #401188762

[Quoted text hidden]

Erin Ekblad <EEkblad@srcenergy.com>
To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>

Fri, Apr 7, 2017 at 8:27 AM

Doug,

Thank you for the clarification below. SRC Energy has spent a lot of time working on the layout of this entire facility, including the MLVT. During this process, we had several meetings or conversations with Mr. Leffler who is the owner of both the surface and the building unit in question. During these meetings and conversations with Mr. Leffler it was made clear to SRC Energy that he wanted all equipment including the MLVT as far out of his agricultural areas as possible. SRC Energy performed analysis on placing the MLVT in different areas of the pad. Placing it on the southeast portion would use more surface disturbance directly against the landowner's request, would provide SRC Energy an inadequate amount of space for operations, and would logistically hinder operations due to the MLVT being the furthest point from the access point and therefore this option was rejected. SRC Energy also considered placing the MLVT to the west or southwest but three CIG pipelines running north and south just west of the proposed disturbance area prevents that. Please know that SRC Energy gave this issue a lot of thought and settled on the proposed MLVT location for valid reasons ensuring that the placement conformed with COGCC rules.

To address your question about what mitigations are in place in case of a catastrophic release, the first point to be made is that the MLVT will be constructed per the MLVT policy which, as you know, includes intense design, installation, and testing criteria. Since the policy has been implemented, we do not know of one catastrophic release that has occurred. So that risk is further reduced. With that said, in the event that a release does occur, the following are additional points that we have considered during this layout process:

- The natural flow of water at this location is west to east and that will help reduce any potential impacts to the building unit located to the west.
- A sound wall is being installed between the MLVT and the building unit which can also act as a diverter of the water to the east.
- SRC Energy has a good relationship with the landowner allowing for quick and easy contact with each other for coordination and response in the event of a release

This issue was considered greatly during our planning and SRC Energy believes if an MLVT is to be used on this location, the proposed placement is the best available option.



Erin Ekblad

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Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Colorado

<image004.jpg>

1120 Lincoln St., Suite 801

Denver, CO 80203

doug.andrews@state.co.us

303-894-2100 Ext. 5180

On Thu, Apr 6, 2017 at 8:46 AM, Erin Ekblad <EEkblad@srcenergy.com> wrote:

Doug

Sorry I was out on vacation to play with a new puppy I just got and adjust to training him 😊

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<image003.png>

Erin Ekblad

Manager of Regulatory Affairs

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Cell: 303.550.2375 | Office: 720.616.4319 | E-mail: EEKblad@srcenergy.com

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

Sent: Tuesday, April 04, 2017 8:27 AM

To: Erin Ekblad <EEKblad@srcenergy.com>

Subject: COGCC Form 2A review of Synergy Resources Leffler 8-21 Pad location - Doc #401188762

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Please respond to this correspondence by May 4, 2017. If you have any questions, please contact me. Thank you.

Doug Andrews

Oil & Gas Location Assessment Specialist - Northeast Colorado

<image004.jpg>

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doug.andrews@state.co.us

[303-894-2100](tel:303-894-2100) Ext. 5180

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Erin Ekblad <EEkblad@srcenergy.com>

Fri, Apr 7, 2017 at 8:39 AM

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

Doug

For your question on number 1, they should not have been listed on Exhibit C, so we edited it on attached drawing for exhibit C. Please use attached. We will not need two meter runs and no automation needed.



Erin Ekblad

Manager of Regulatory Affairs

1675 Broadway, Suite 2600; Denver, CO 80202

Cell: 303.550.2375 | Office: 720.616.4319 | E-mail: EEKBLAD@SRCENERGY.COM

From: Andrews - DNR, Doug [mailto:doug.andrews@state.co.us]
Sent: Tuesday, April 04, 2017 8:27 AM
To: Erin Ekblad <EEkblad@srcenergy.com>
Subject: COGCC Form 2A review of Synergy Resources Leffler 8-21 Pad location - Doc #401188762

Erin,

[Quoted text hidden]

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 **LEFFLER 8-21_FACILITY_LOCATION_DRAWING_20170201.pdf**
1683K

Erin Ekblad <EEkblad@srcenergy.com>
To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>
Cc: Dave Kulmann <dkulmann@srcenergy.com>

Fri, Apr 7, 2017 at 10:24 AM

Doug

Attached is the 306.e. letter. Let me know what you think about our response for Number 3 regarding the MLVT. Otherwise you should have everything you need. Please keep me posted.

If I do not speak to you today, have a good weekend ☺



Erin Ekblad

Manager of Regulatory Affairs

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Cell: 303.550.2375 | Office: 720.616.4319 | E-mail: EEKblad@srcenergy.com

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Erin,

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 **306 e Certification Letter to The Director Leffler.pdf**
254K

Erin Ekblad <EEKblad@srcenergy.com>To: "Andrews - DNR, Doug" <doug.andrews@state.co.us>

Mon, Apr 10, 2017 at 8:30 AM

Doug

Let me know if our response on the MLVT works for you. You should have everything you would need now for the below items ☺

**Erin Ekblad**

Manager of Regulatory Affairs

1675 Broadway, Suite 2600; Denver, CO 80202

Cell: 303.550.2375 | Office: 720.616.4319 | E-mail: EEKblad@srcenergy.com

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