

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Friday, May 05, 2017 1:54 PM
To: Dave Kubeczko - DNR
Subject: BP America Production Company (BP), State MZ 2 Pad, Lot 4 (SWSW) Sec 7 T34N R6W, La Plata County, Form 2A#401249240 Review

Categories: Operator Correspondence

Scan No. 2108142 CORRESPONDENCE 2A #401249240

From: Azulai, Naomi [mailto:Naomi.Azulai@bp.com]
Sent: Thursday, May 04, 2017 10:05 AM
To: Dave Kubeczko - DNR
Subject: RE: BP America Production Company (BP), State MZ 2 Pad, Lot 4 (SWSW) Sec 7 T34N R6W, La Plata County, Form 2A#401249240 Review

Dave,
BP concurs with the COAs for the State MZ 2 that are listed in the email below that you sent on 5/3/2017.
Thanks.
Naomi Azulai

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Wednesday, May 03, 2017 2:48 PM
To: Azulai, Naomi
Subject: BP America Production Company (BP), State MZ 2 Pad, Lot 4 (SWSW) Sec 7 T34N R6W, La Plata County, Form 2A#401249240 Review

Naomi,

I have been reviewing the BP America Production Company (BP), State MZ 2 Pad **Form 2A #401249240**. COGCC would like to attach the following conditions of approval (COAs) based on the data BP 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 **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.

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 shown on the Proposed BMPs attachment); 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 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 protection) to contain any spilled or released material around permanent produced water storage tanks.

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

COA 38 - A closed loop system must be implemented during drilling (as indicated on the Form 2 and Form 2A). The moisture content of all drill cuttings managed onsite shall be kept as low as practicable to prevent accumulation of liquids greater than de minimis amounts. All cuttings generated during drilling with salt-based mud (SBM) must be segregated from water/bentonite based mud-(WBM-) generated drill cuttings and placed separately on the well pad. All SBM-generated drill cuttings must be kept in tanks/containers, or placed on a lined/bermed portion of the well pad; prior to disposition. The operator has indicated that 'Cuttings Disposal' will be "OFFSITE" and that the 'Cuttings Disposal Method' will be "COMMERCIAL DISPOSAL" (as shown in the 'DRILLING WASTE MANAGEMENT PROGRAM SECTION' of the Form 2A). All liners associated with salt-based drilling mud and SBM-generated drill cuttings must be disposed of offsite per CDPHE rules and regulations. Any changes to drill cuttings management and disposal at this location will require submittal (via a Form 4 Sundry Notice) and approval of a Waste Management Plan detailing the changes (specifying cuttings characterization methods, cuttings management, amendment, and onsite disposal location[s]).

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 - Due to public accessibility to the nearby recreational areas within the Forest Service lands, 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:

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.

COGCC would appreciate your concurrence with attaching the COAs to the Form 2A prior to passing the OGLA review. In addition, COGCC requests Rule 306.e. Certification from BP after 05-15-17 (Public and LGD Comment Period). COGCC can approve this form with a timely response from BP. 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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