

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Friday, May 19, 2017 9:01 AM
To: Dave Kubeczko - DNR
Subject: Laramie Energy LLC, Nichols 24-07 Pad, SENW Sec 24 T9S R94W, Mesa County, Form 2A# 401235908 Review

Categories: Operator Correspondence

Scan No. 2108147 CORRESPONDENCE 2A #401235908

From: Joan Proulx [mailto:jproulx@laramie-energy.com]
Sent: Friday, May 19, 2017 8:58 AM
To: Dave Kubeczko - DNR
Subject: RE: Laramie Energy LLC, Nichols 24-07 Pad, SENW Sec 24 T9S R94W, Mesa County, Form 2A#401235908 Review

Dave:

Laramie Energy concurs with the COAs listed below. I will provide the BLM COAs and wildlife stipulations once those permits are approved.

Regards,

Joan Proulx
Regulatory Analyst
Laramie Energy, LLC
760 Horizon Drive, Suite 101
Grand Junction, CO 81506
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From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Friday, May 19, 2017 8:32 AM

To: Joan Proulx <jproulx@laramie-energy.com>

Cc: Wayne Bankert <wbankert@laramie-energy.com>

Subject: Laramie Energy LLC, Nichols 24-07 Pad, SENW Sec 24 T9S R94W, Mesa County, Form 2A#401235908 Review
Importance: High

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Joan,

I have been reviewing the Laramie Energy LLC (Laramie), Nichols 24-07 Pad **Form 2A# 401235908**. 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 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 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; 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.

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; down gradient baffles intended to slow and control water flow and sediment; 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 any re-construction activities, as well as during all drilling and completion 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 constructed 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) to contain any spilled or released material around permanent produced water storage tanks.

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

COA 11 - 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. No offsite reuse of cuttings to another oil and gas location shall occur without prior approval of a Beneficial Reuse or Land Application Plan (submitted via a Form 4 Sundry Notice) specifying reuse or application, location, and waste characterization method. Commercial disposal of drill cuttings and drilling fluids will only require the operator to maintain documentation (manifests, bills of lading, etc) of drill cuttings and drilling fluids disposal.

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 conditions of approval (COAs) will apply to the Form 2A:

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 surface/buried pipelines and following any reconfiguration of the pipeline network. All permanent flowlines from wellheads to separators and from the separators to the tank will also be pressure tested annually.

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

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. In addition, could Laramie provide COGCC with the COAs and wildlife stipulations that BLM has attached to this location (or when you receive them if the federal APDs have not yet been approved). 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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