

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Wednesday, August 30, 2017 3:09 PM
To: Dave Kubeczko - DNR
Subject: TEP Rocky Mountain LLC, Chevron TR 23-22-597 Pad, NESW Sec 22 T5S R97W, Garfield County, Form 2A#401346456 Review

Categories: Operator Correspondence

Discussed COAs with Operator on 08-30-17 and received verbal concurrence and acknowledgement.

Scan No. 2108207 CORRESPONDENCE 2A #401346456

From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Wednesday, August 30, 2017 3:05 PM
To: Vicki Schoeber
Cc: Jeff Kirtland
Subject: TEP Rocky Mountain LLC, Chevron TR 23-22-597 Pad, NESW Sec 22 T5S R97W, Garfield County, Form 2A#401346456 Review

Vicki,

My error, the Form 2A does not have COA 48 on it. I have removed it from this email also. If you have any questions, please do not hesitate to call me at (970) 309-2514 (cell), or email. Thanks.

Dave

From: Vicki Schoeber [mailto:VSchoeber@terraep.com]
Sent: Wednesday, August 30, 2017 2:31 PM
To: Dave Kubeczko - DNR
Cc: Jeff Kirtland
Subject: RE: TEP Rocky Mountain LLC, Chevron TR 23-22-597 Pad, NESW Sec 22 T5S R97W, Garfield County, Form 2A#401346456 Review
Importance: High

Dave,

I spoke with our team about these COAs, and we have an issue with COA #48 and feel it should be removed.

It states, " Since condensate and produced water storage tanks are not planned to be constructed on this well pad location, operator shall submit a scaled as-built drawing..."----however this pad will have 3 condensate tanks and 7 water tanks as depicted in the post drilling Facility Layout Drawing & Equipment Setback Dimensions for Interim Reclaim Plat and listed in the facilities section of the Form 2A. The tanks will be installed on location after drilling is complete. Therefore, we do not believe that an as-built is needed for this location and the COA unnecessary.

Should you have any questions, or need further information please let me know.

Thank you for your prompt attention to this matter.

Vicki Schoeber

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From: Dave Kubeczko - DNR [<mailto:dave.kubeczko@state.co.us>]
Sent: Wednesday, August 30, 2017 12:41 PM
To: Vicki Schoeber <VSchoeber@terraep.com>; Jeff Kirtland <JKirtland@terraep.com>
Subject: TEP Rocky Mountain LLC, Chevron TR 23-22-597 Pad, NESW Sec 22 T5S R97W, Garfield County, Form 2A#401346456 Review
Importance: High

Vicki and Jeff,

I have been reviewing the TEP Rocky Mountain LLC (Terra) Chevron TR 23-22-5977 Pad **Form 2A #401346456**. Based on COGCC's review, the following revision has been made to the Form 2A:

COGCC has revised: Date planned to commence construction: from 09/01/2017 to 09/04/2017 and Estimated date that interim reclamation will begin: from 09/01/2018 to 09/04/2018.

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

Planning: The following 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 onsite blowdown, condensate, and produced water 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 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.

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 well pad location re-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 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 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 [or equivalent] with an impervious liner) to contain any spilled or released material around temporary or permanent condensate and produced water storage tanks.

Drilling/Completions: The following 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. Operator has indicated that the cuttings will be disposed of 'OFFSITE' to one of three previously approved oil and gas locations. No 'ONSITE' disposal of cuttings will be allowed without prior approval of a Waste Management Plan (submitted via a Form 4 Sundry Notice) specifying 'ONSITE' disposal and where the cuttings will be placed on the location. After drilling and completion operations have been completed, if any of the WBM drill cuttings will remain on the well pad location (cuttings management area, the cut portion of the pad, cuttings trench, dry cuttings drilling pit), they must be sampled and meet the applicable standards of Table 910-1. No liners (if used) 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 (TEP's permitted Cuttings Trench locations or nearby locations) shall occur without prior approval of a Form 4 Sundry Notice specifying disposal location and waste characterization method. Commercial disposal of drill cuttings will also require notification to COGCC via a Form 4 Sundry Notice.

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.

Emissions Mitigation: The following COA will apply:

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 COAs will apply to this Form 2A Permit if any temporary surface (COAs 45, 49, 54, and 55) or buried permanent (COA 45) flowlines and/or offsite pipelines (poly or steel) are used during operations at this oil and gas location as well as nearby well pad locations:

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.

CPW Wildlife Consultation/Comment: The following comment was placed on the Form 2A by CPW on 08-14-17:

"This location was subject to a pre-consultation prior to the submission of the Form2A application. During the pre-consultation between the operator and CPW, the following recommendations were provided by email and agreed upon by the operator on July 21, 2017.

You are correct, you are in priority habitat management area (PHMA) and the nearest lek is more than 2 miles away. The surrounding area has numerous existing roads and oil and gas facilities. The new road and pad will result in direct loss of habitat; however, the proposed location will likely minimize indirect disturbance to greater sage-grouse that may use the area.

CPW supports the construction of the pad this year (2017) and does not object to drilling in April of 2018 because of the proximity and topography between the nearest lek.

By: Taylor Elm, 8-14-2017, 14:41"

CPW recommends that the following measure be added as BMPs to avoid and minimize impacts to wildlife from the proposed development:

***BMP 1** - Because of the extensive distance of travel to the location, CPW recommends that you require all vehicles to maintain slow speeds (not to exceed 25 MPH) to avoid possible collisions and disturbance to birds that may be using habitat along the access route to the pad. The entire area and access roads are located in GrSG PHMA.*

***BMP 2** - CPW recommends that non drilling and completions related vehicles adhere to accessing the location between 9:00 am and 4:00 pm during the lekking season (March 1 to May 15). It is applicable to minimize vehicle disturbance along the access road into the pad, because there are leks, not in close proximity to the pad but along the route into the pad.*

Based on COGCC's review of the pre-consultation between Terra and CPW on 07-19-17, these two wildlife BMPs have been added to this Form 2A permit..

Terra does not need to respond to this email unless you have questions or issues with any of these COGCC COAs and CPW Wildlife BMPs, which are similar and/or identical to COAs placed on all well pad and production facility (central tank battery) locations in Garfield County. The COGCC OGLA review task will be passed on 08-30-17, with the Form 2A and associated Form 2s being sent to final approval this week. 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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07/08/16 - location onsite by COGCC, CPW, BLM, and operator;
08/14/17 - location falls within greater sage grouse production; passed by CPW with operator submitted wildlife BMPs and additional sage grouse recommended BMPs for access road and site visit daylight timing being acceptable;
08/30/17 - Initiated / Completed OGLA Form 2A review by Dave Kubeczko;
08/30/17 - sent email to operator indicating that the following COAs will be placed on the Form 2A - notification, fluid containment and spill/release BMPs, construction BMPs, sediment and dust control access road, cuttings containment and management, odor control, flowback to tanks only, temporary pipeline placement/inspection/containment, and pipeline testing;
revised: Date planned to commence construction: from 09/01/2017 to 09/04/2017 and Estimated date that interim reclamation will begin: from 09/01/2018 to 09/04/2018;
08/30/17 - passed OGLA Form 2A review by Dave Kubeczko with notification, fluid containment and spill/release BMPs, construction BMPs, sediment and dust control access road, cuttings containment and management, odor control, flowback to tanks only, temporary pipeline placement/inspection/containment, and pipeline testing COAs.