

Folks- I inadvertently sent the original email prematurely. Please disregard the original email and see below.

Thanks
Alex

----- Forwarded message -----

From: **Fischer - DNR, Alex** <alex.fischer@state.co.us>

Date: Wed, Jan 3, 2018 at 9:07 AM

Subject: Fwd: Water Share Form 4 Doc #401489448

To: Jeff Kirtland <JKirtland@terraep.com>, Scott Ghan <sgghan@vnrenergy.com>, Stan Spencer - DNR <stan.spencer@state.co.us>

Stan- Sundry Doc Number 401489448 has an approximate start date of 2/9/2018 and Sundry Doc Number 401495848 has an approximate start date of 1/15/2018. Please work into your schedule this week Inspections on the following Facilities:

- TEP Pit Facility ID: 296913
- Vanguard Pit Facility ID: 451798 and Pit Facility ID 451892

Jeff and Scott-

There is a start date of 1/14/18 and 2/9/18. Please advise.

Sundry Doc Numbers 401489448 and 401495848 have been Pushed back to DRAFT to address the following:

Sundry Doc Numbers 401489448:

- There has been some confusion regarding Pit Facility ID 296913 as it was originally permitted July 3, 2008 associated to API 045-14574 (Located in SESW Sec 21 T6S R91W). In creating the Sundry and when you entered the Pit Facility ID, it auto populated the location for API 045-14574. All of the various Sundry documents show the legal for Sec 21. I have corrected the data base so that the Scout Card accurately reflects the location of the Pit Facility 296913 and should auto populate the correct legal for the pit. Corrections should be made in the Sundry Comment section regarding the correct legal as well as in the supporting documents to avoid confusion that should have been corrected by the COGCC and the Operator back in 2008.
- As mentioned above, the pit was permitted for a single well. It appears that this Pit Facility is a multi well pit, provide source wells (APIs) that contribute to this pit.
- Inspection Document ID 200281624, states that this is a "multi-pad production pit" and that a " new surface liner" was recently installed.

- What are the existing construction details of the Pit Facility ID 296913 (i.e. liner(s) types, thickness, age, etc.)?
- At least two of the past inspections state the there has been condensate accumulation at this Pit Facility over the past years.
- It is stated that "Vanguard will monitor operations while transferring water from the Orion Pit 44-20-691 (Facility ID 296913).

How and at what frequency will Vanguard be monitoring flow rates and pressure to ensure against potential blowouts? Additionally, Vanguard should provide a description and frequency for inspecting all connections for possible freeze/thaw damage.

There is little history of this Pit Facility with the exception that there Waste Management Plans (Water Sharing Agreements) back and forth over the life of the Pit Facility. Although, not addressed by COGCC in the past, it appears that Pit Facility ID 296913 is out of compliance and should be closed through the Form 27 Site Investigation/Remediation process.

Sundry Doc Numbers 401495848:

- Use **Pit Facility ID: 451798** as opposed to the Location ID.
- Which Operator(s) are the owners of the existing 10"-12" poly (surface, 6" Flexsteel and 8" Poly (Surface), and 6" Steel and 6" Flexsteel? Vanguard Operating is the owner of all the lines mentioned.
- What precautions have and will be taken to be protective of the environment, sensitive areas, etc. from the conveyance of fluids through the temporary water lines? The water line system has been designed and installed utilizing sound engineering practices. All lines have been pressure tested to maximum anticipated operating pressures successfully. The system will be continuously monitored by field personnel during all transfer operations. The sections of surface pipeline will be visually inspected daily as part of their monitoring duties. Pressure gauges will be installed along the water pipeline system to monitor pressures during transfer operations and allow for monitoring of the subsurface segments associated with the system. Numerous isolation valves have been installed along the system to create the ability to isolate segments, if needed.
- Provide frequency or schedule for monitoring the Vanguard flowlines that will be used to convey fluids for this transfer. The system will be monitored continuously during transfer operations from TEP. Please see the answer above for additional details.
- Spill/Release ID 1943550 occurred on April 30, 2009 along the BBC Orion Pipeline; REM 5819 was closed on June 2, 2011. This historic release was associated with a line which was owned by Orion Energy Partners at the time of the incident. The line was struck by BBC contractors during the installation of their own line due to an incorrect utility locate. This pipeline is not currently owned by Vanguard and is not part of the pipeline system associated with the water share. There are numerous operators that have lines within this section of common pipeline right-of way.
- Spill/Release ID 440729 occurred on January 29, 2015 from an alleged corroded dumpline at Location 334860 and was closed on February 12, 2015. Does this dumpline feed into the "C" to "E" segment? No. This segment of poly surface line has been

installed within an existing right-of-way that passes through Location 334860. The poly line has no connection with the production related piping at Location 334860.

- Exhibit A illustrates "C" to "D" and "C" to "E". The Pressure Data provides line segment tested from "C" to "D" and "D" to "E". Is the "D" to "E" accurate or was the line pressure along the "C" to "D" segment? Yes, it is accurate. Segment "C" to "D" is a separate line (6" Flexsteel and 8" Poly) from Segment "D" to "E" (10-12" Poly) and this is the reason pressure test data was provided for each segment. The lines were color-coded on Exhibit A to differentiate the lines.
- Provide completion Location(s) for the up to 200,000 bbls of fluids. GGU 13-28 (Location ID 335245) and MDP-25 Pad (SESW 33-691) (Location ID 424341)
- Prior to use, Applicable COAs for Pit Facility ID 451798 shall be met.
- Prior to use, Applicable COAs for Pit Facility ID 451892 shall be met.

How and at what frequency will Vanguard be monitoring flow rates and pressure to ensure against potential blowouts? Additionally, Vanguard should provide a description and frequency for inspecting all connections for possible freeze/thaw damage. Please see answers above.

Vanguard will need to provide a Sundry for Pit Facility ID 451892 which would be similar to Sundry Doc Number 401495848.

Thanks

Alex

----- Forwarded message -----

From: **Jeff Kirtland** <JKirtland@terraep.com>

Date: Wed, Dec 27, 2017 at 11:27 AM

Subject: Water Share Form 4 Doc #401489448

To: "Fischer - DNR, Alex" <alex.fischer@state.co.us>

Cc: Scott Ghan <sghan@vnrenergy.com>, Brad Kesler <BKesler@terraep.com>, Wes Hobbs <whobbs@terraep.com>, Bryan Hotard <BHotard@terraep.com>, Mark Stoltz <mstoltz@terraep.com>

Alex,

Per Mr. Ghan, I am informing you that I have submitted a Form 4 Sundry (Doc # 401489448) requesting water sharing between TEP and Vanguard.

Please let me know if you have any questions or concerns.

Happy Holidays!

Thank you,

Jeffrey D. Kirtland, MScM

Regulatory Lead

W: [970.263-2736](tel:970.263.2736) | C: [970.812.7874](tel:970.812.7874)

