



December 31, 2019

Mr. Jeff Robbins, Director  
Colorado Oil and Gas Conservation Commission  
1120 Lincoln Street, Suite 801  
Denver, Colorado 80203

**RE: UPDATED Response to Public Comment  
Hungenberg Pad: SESE Section 27, Township 6 North, Range 65 West  
Weld County, Colorado**

Dear Director Robbins,

Incline Operating, LLC (Incline) received the Public Comment in bold italic from Jesse and Jaime Silva on 11/28/2018. Incline has made a continued good faith effort to address the concerns in the comment and has corresponded with them on multiple occasions and topics, and has met in person on two separate occasions. A summary of the results of those efforts are included in this letter in [Blue](#) and [Green](#).

***Dear COGCC,***

***We are writing today to ask the COGCC to hold a new operator in the DJ basin (Incline Operating, LLC) to standards that have already been accepted by other operators in the basin for well located in a buffer zone. To date Incline only operates a single vertical well and has not drilled, completed, or produced a horizontal well in the DJ basin. We believe it is important to make sure that new operators to the basin live up to expectations already established.***

***Response: Incline operates within Federal, State, County, and Local rules, and is making every effort to partner with the Public and community to meet Colorado standards and expectations. The wellbeing and safety of the public and its communities is a top priority to Incline. Since becoming a bonded operator, Incline has attended both County and State Operator and Regulatory Meetings, met with numerous other operators in the DJ basin to discuss best practices, and hired reputable vendors to assist with its permitting and drilling program.***

***We live at 21873 WCR 64, Greeley CO, 80631. Our house is located ~540' from the proposed wells and we will be the most impacted by these proposed operations. The house across the street is a rental and we doubt they will comment. Growing up in Weld county we are familiar with oil and gas operations but not as familiar with the permitting process. Please accept these comments as we missed the opportunity during the pre-application process.***

***Response: In August 2018, prior to the pre-application notices being sent out, Incline contacted the Silvas to notify them of its drilling plans and asked to set up an in-person meeting to discuss them further. However, the meeting never took place because the Silvas were on vacation most of August. Subsequently, the pre-application notice hand-delivered in accordance with the requirements of Rule 305.a.(2) was received on September 14, 2018 per the Certified Return Receipt. This notice contained contact information for Incline and an invitation to discuss the proposed operations. Additionally, as part of the Weld Oil and Gas Location Assessment (WOGLA) Application, a notice was also mailed on October 13, 2018, which resulted in an in-person meeting with the Silva's, the Weld County LGD, and 3<sup>rd</sup> parties on 11/1/2018. Incline met the Silvas in-person for a second time on January 16, 2019.***



*Site selection is key to the future of oil and gas development, and from the notification zone drawing it appears as though the Hungenberg pad has been located as close to homes as possible without regard for the COGCC rule of 604.c.(2)E.i. where Multi-well production facilities SHALL be located as far as possible from Building Units. It is obvious that the farmland to the North was given higher value than the proximity to our home. Or perhaps the industrial land to the east would be much better suited from a land use perspective? The siting rationale for this location seems weak, at the WOGLA consultation Incline committed to looking into alternative sites. Please have this additional work included in the siting rationale.*

*Response: Incline took this into consideration and provided a revised siting rationale, which was added to the Form 2A on 2/11/2019. On December 12<sup>th</sup>, 2019 Incline provided the COGCC with its Alternative Siting Analysis.*

**Additional Requests:**

*Our Mother-in-law suite on top of the garage is located 540' from the proposed wells. Currently this is identified as a building and not a building unit. Can the Notification Drawing be revised along with the cultural distances in the 2a to reflect this information? Please see attached notification zone drawing edits, it also appears there may be some mistakes in the measured distances.*

*Response: The Form 2A was rejected on 11/29/2018. Incline has provided a revised Notification Zone Drawing with the resubmitted Form 2 Application with the mother-in-law suite shown as a building unit.*

*An oil terminal is located in the adjacent property, and we ask that an Oil Pipeline be added as a COA for dust, traffic, and noise/ ~600' to the North East/ LACT is already noted on Site Layout for an oil pipeline connect/ Salt water disposal wells are located nearby and we ask that a water pipeline be added as a COA for dust, traffic, and noise /NGL C4 and C4A SWD is located ~3700' East/ EWS 2~ SWD is located ~6300' South East*  
*Response: Incline agrees and will comply with the request to install an oil pipeline to take the fluids offsite. Incline will not install a water pipeline for any water used during drilling because it is such a small amount (for more details regarding water transportation see the last comment in this document and Incline's subsequent response).*

*Access for location will be from WCR 45, per SUA and Notification Zone drawing 4 VOC combustors are identified on the 2a but only 2 are shown on the Site Layout Drawing?*

*Response: The Form 2A was rejected on 11/29/2018. Equipment totals and exhibits were revised post-rejection. 4 VOC Combustors have been confirmed and are consistent among forms and exhibits.*

*Assume this combustor will not be located in a manner that would be closer than the cultural distances identified?*

*Response: This assumption is correct per the revised cultural distances post-rejection.*

*No maintenance tank is identified on the Site Layout drawing*

*Response: No maintenance tank is planned for this location.*

*Assume this tank will not be located in a manner that would be closer than the cultural distances identified?*

*Response: This assumption is correct per the revised cultural distances post-rejection.*

**Standards to live up to:**



*Please note a more complete list of BMP's. As a new operator to the basin, an never drilled or operated a horizontal well, we feel that it would be prudent to make sure shortcuts are not taken out of ignorance.*

*Response: The Form 2A was rejected on 11/29/2018. A more complete list of BMP with considerations made to the suggestions from this comment were submitted as part of the post-rejection resubmittal.*

*Facilities: to ensure longevity of flowlines we request fusion bonded steel pipe and have proper cathodic protection throughout the run. All welds on these are 100% x-ray and hydro tested to the API and Manufactures specs for a class 1500 series flange.*

*Response: Incline agrees to and will comply with this request.*

*Note Oil Based Drilling muds will not be used under the drilling program on page 2, and then a BMP #16 states utilizing an advanced oil based mud? Seems confusing.*

*Response: Oil-based mud will not be used. This was clarified in the post-rejection resubmittal.*

*With all these changes/error in identification of building units, cultural distances, and the location appearing to be located as close as possible to homes, would it be beneficial to reject these permits so this new operator can get it right from the beginning?*

*Response: The Form 2A was rejected on 11/29/2018. The associated Form 2s were rejected 4/18/19. Any errors found in the initial Forms were corrected and both have been resubmitted.*

**Additional BMP Request: (typical buffer zone BMP/COA)**

*6 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. During construction and through the life of this location, Operator will utilize recycled asphalt. Additionally, the access road will be constructed with aggregate road base material and vehicle speeds will be limited to ten miles per hour to reduce dust.*

*Response: The Form 2A was rejected on 11/29/2018. A more complete list of BMP with considerations made to the suggestions from this comment were submitted as part of the post-rejection resubmittal. See BMP #7 on submitted Doc #401732132.*

**Low profile tanks for fluid storage**

*Response: No low-profile tanks are planned for this location. Low-profile tanks are smaller, resulting in a larger disturbance footprint, and the tanks will be shielded from view by a permanent fence.*

**Light sources will be directed downwards**

*Response: The Form 2A was rejected on 11/29/2018. A more complete list of BMP with considerations made to the suggestions from this comment were submitted as part of the post-rejection resubmittal. See BMP #15 on submitted Doc #401732132.*

*Sound Wall along Southern edge of property and ~20' from corner to mitigate sound 604.c.(2).G. Berm construction. Tank berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. All berms will be visually checked weekly at a minimum to a maximum of daily to ensure proper working condition. Secondary containment devices shall be sufficiently impervious to contain any spilled or released material. No potential ignition sources shall be installed inside the secondary containment area unless the containment area encloses a fired vessel.*

*Response: In an effort to be a good neighbor, Incline used the Silva's recommended vendor to conduct the Sound Study and will follow the recommendations of that study by using a full-wrap 32-foot sound wall for*



*mitigation, and additional mitigations around the pumps and generators. See BMP #22 on submitted Doc #401732132.*

**604.c.(3)B. Berm Construction.** *Tank berms shall be constructed of steel rings with a synthetic or engineered liner and designed to contain 150% of the capacity of the largest tank. Metal containment rings will be placed around the separators. All berms will be visually checked weekly at a minimum to a maximum of daily to ensure proper working condition. Secondary containment devices shall be sufficiently impervious to contain any spilled or released material. Tertiary containment, such as an earthen berm, will be installed around production facilities. All berms will be visually checked daily to ensure proper working condition. Inspection and record retention of berm inspections will be in accordance per SPCC regulation. All records will be made available to the COGCC upon request. Operator will bring a new or expand existing gas sales lines, in a timely manner, to send salable quality gas immediately down the sales line. Operator will ensure the connect is in place to take gas downline immediately.*

*Response: The Form 2A was rejected on 11/29/2018. A more complete list of BMP with considerations made to the suggestions from this comment were submitted as part of the post-rejection resubmittal. See BMP #21 on submitted Doc #401732132.*

**604.c.(2)C.i. Green Completions - Emission Control System.** *Test separators and associated flow lines and sand traps shall be installed on-site to accommodate green completions techniques pursuant to COGCC Rules.*

*Response: The Form 2A was rejected on 11/29/2018. A more complete list of BMP with considerations made to the suggestions from this comment were submitted as part of the post-rejection resubmittal. See BMP #23 on submitted Doc #401732132.*

**Tanks will be filled using a local water source through temporary waterlines. No water will be trucked to location.**

*Response: Incline acknowledges this comment, but a small amount of water will be used during drilling and as a result, Incline will truck the water to location. Incline expects that each well will require 5 days of water trucking, 16 loads of water per well (i.e. 45 days of trucking and 144 loads for the 9 wells), however these numbers should remain flexible because it could change slightly due to unforeseen circumstances (e.g. need to run a camera downhole which would require an extra 8 loads of water). This is in line with industry standards in the area.*

**kindest Regards  
Jesse and Jamie Silva  
Jesse and Jamie Silva**

Incline respectfully requests the COGCC approve the Form 2A for the Hungenberg Pad. Many thanks for your consideration of this matter.

Respectfully,

A handwritten signature in black ink, appearing to read "Justin Garrett".

Justin Garrett  
Regulatory Analyst



Agent for Incline Operating, LLC