

STATE OF
COLORADO

Treitz - DNR, Rebecca <rebecca.treitz@state.co.us>

Verdad County Line Form 2A doc no 402092786

Heather Mitchell <HMitchell@verdadresources.com>
To: "Treitz - DNR, Rebecca" <rebecca.treitz@state.co.us>

Wed, Nov 27, 2019 at 10:58 AM

See response below in green and let me know if I addressed everything sufficiently.

Thanks and have a nice thanksgiving.

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From: Treitz - DNR, Rebecca <rebecca.treitz@state.co.us>
Sent: Monday, November 25, 2019 3:38 PM
To: Heather Mitchell <HMitchell@VerdadResources.com>
Subject: Re: Verdad County Line Form 2A doc no 402092786

Heather,

I had a few clarification questions on the responses.

e. As this is a Designated Setback Location for a Buffer Zone, please provide all of the 604.c.(2) BMPs, including:

i. B- Closed Loop system and pit restrictions

Verdad will use a closed loop system -

ii. C – flowback – will there be temporary tanks on location post completions for the high flowback water time frame? What emissions controls will be used during flowback, are there temporary VOC or VRUs?

We will use controlled temporary tanks for flowback. The temporary tank emissions will be controlled with an enclosed combustor. [Are the temporary tanks during the initial flowback, or will they be on-location for early production phase approximately 9 months? The initial flowback temporary tanks will be on location for ~1 month and then the wells will be turned over to permanent facilities.](#)

iii. D – traffic plan and coordination with the local government

Verdad notified Lochbuie and Adams county of operations. Lochbuie provided no comment. Adams provided comment, but none related to the Road. We have an Approved WOGLA with Weld county on this location Do you have the date the WOGLA was approved and the permit number? 10.11.2019 WOGLA19-0183 It looks like when you exit the highway Lochbuie has jurisdiction of the road. Have you had to go through a traffic process with Lochbuie. We notified them of the WOGLA, the community meeting- they have not responded.

iv. E – Multi-well plan – can include consolidation of 2 locations to 1.

Attached For 604.c.(2)B - the multi-well - We are looking for a BMP not the multi-well plan - more this is a multi-well location to minimize surface disturbance and consolidation from two pads to one has already occurred. Please provide something similar

This pad has been consolidated from two wells pads to one to get reduce the impacts to surrounding BUOs and to reduces the number of BUOs impacted.

v. F – Leak detection for flowlines and at well or production connections, include inspections and testing, what will happen if a leak is detected?

AVO (Audio, Visual, Olfactory) inspections of pipe and connections will be performed daily on production equipment to detect leaks which will be immediately corrected, repaired and reported to COGCC as required. Does Verdad also do pressure testing or infared camera? Verdad will conduct integrity management on the flowlines at the County Line Well Pad using pressure testing and instrument monitoring (infrared camera), per COGCC rule 1104.

Are there tank monitors or auto-shut in capabilities?

Verdad will employ automated tank gauges to allow for the gauging of liquids without opening the thief hatch. This will minimize the number of times a thief hatch will be opened and further reduce the vapor emissions from tank.

Verdad wells have remote shut-in capabilities to mitigate spills and safety issues. Remote shut-in will allow Verdad to immediately shut a well in the event of a reported problem on location or in the event of a potential threat such as a grass fire or flood.

vi. K – pit level indicators – on tanks during drilling and completions
. No pits will be on location, but there are level indicators on the drilling mud tanks

vii. M – fencing- The location will be fenced Who will fence and maintain the fencing? Verdad will fence the location and maintain it.

viii. N – Fire control for both 25 feet and 606.d of 50 feet of flammable liquids

- Flammable liquids will not be stored within fifty (50) feet of the wellbore.
- Any material not in use that might constitute a fire hazard shall be removed a minimum of twenty-five (25) feet from the wellhead, tanks and separator. Any electrical equipment installations inside the bermed area shall
- comply with API RP 500 classifications and comply with the current national electrical code as adopted by the State of Colorado.
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ix. O – loadlines

All loadlines shall be bullplugged or capped.

x. Q – Guyline anchors – will they be used or base beams

All guy line anchors left buried for future use shall be identified by a marker of bright color not less than four (4) feet in height and not greater than one (1) foot east of the guy line anchor. Will the rig be using guyline anchors or will there be a base beam to anchor the rig to?

If a workover rig is required it will use a base beam and the big rig will use guyline anchors.

xi. R – tank specifications

All newly installed or replaced crude oil and condensate storage tanks shall be designed, constructed, and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). The operator shall maintain written records verifying proper design, construction, and maintenance, and shall make these records available for inspection by the Director. Only the 2008 version of NFPA Code 30 applies to this rule. This rule does not include later amendments to, or editions of, the NFPA Code 30. NFPA Code 30 may be examined at any state publication depository library. Upon request, the Public Room Administrator at the office of the Commission, 1120 Lincoln Street, Suite 801, Denver, Colorado 80203, will provide information about the publisher and the citation to the material.

xii. S – Access roads, maintenance

At the time of construction, all leasehold roads shall be constructed to accommodate local emergency vehicle access requirements, and shall be maintained in a reasonable condition.

Access road permit through the county.

xiii. U – P&A wells

The operator shall identify the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). The operator shall also inscribe or imbed the well number and date of plugging upon the permanent monument.

Within ninety (90) days after a well is plugged and abandoned, the well site shall be cleared of all non-essential equipment, trash, and debris. For good cause shown, an extension of time may be granted by the Director. With your concurrence, I will remove the last sentence. I concur

xiv. V – Development from existing well pads

Where possible, operators shall provide for the development of multiple reservoirs by drilling on existing pads or by multiple completions or commingling in existing wellbores (see Rule 322).

For 604.c.(2)V of This location is a multi-well pad will be considered for future development. Please provide something similar.

Verdad will consider this pad for future development of other reservoirs or units.

As part of BMP #2, Verdad agreed to water quality sampling and monitoring requirements consistent with COGCC regulations provided in Rule 381A.F. In addition, Verdad agreed to install two groundwater monitoring wells on the pad at depths to cover the Beebe Draw Aquifer and the Head Protection Area with a schedule for sampling and sharing results. With respect to the agreement, Verdad had been working cooperatively with ECCV on their form agreement, which Verdad understands has been utilized by ECCV with a number of other operators to address groundwater monitoring wells. Unfortunately, ECCV has withdrawn from those discussions on the advice of its outside counsel and will not execute the agreement preferring to wait until the conclusion of the rulemakings in 2020. Verdad remains willing to enter into the agreement with ECCV, but due to lease expiration issues, Verdad cannot wait until after the completion of the rulemakings to begin its operations on the Countyline pad. Important here is that despite not having the agreement in place with ECCV, Verdad is committed to and has agreed to implement all of the ECCV requests for well monitoring. Moreover, Weld County has approved the WOGLA for the Countyline pad, which includes the well monitoring program that ECCV proposed. Verdad, respectfully requests that the Staff proceed with review and approval of the Countyline pad.

Will the wells be installed prior to drilling Operations for baseline testing? How often will the monitoring wells be sampled? Quarterly, semi-annual? Where in relation to the pad will they be - along the south or west? Will a copy of the results be provided to COGCC? County Line monitoring wells will be constructed prior to and be used for the initial/baseline groundwater sampling event before the drilling of the wells on the County Line Well Pads. The monitoring wells will continue to be sampled quarterly for the life of the wells. All monitoring well samples will be uploaded to the COGCC's Environmental Database.

The monitoring wells will be constructed to the Beebe Draw Aquifer and will be located inside or on the perimeter of Verdad's pad location. The location of the wells will be determined with input from ECCV representatives, likely on the south and west of the pad.

For the noise mitigation, please provide specifics regarding the sound walls for placement on the pad. Verdad will construct sound walls on the North and the east of the pad.

- COGCC has also reviewed the Location for the SB19-181 Objective Criteria. The Location meets the following criteria:
- #1 – The Location is in a Buffer zone and within 1,500 feet of multiple Building Units. Please provide any information regarding outreach beyond the buffer zone Building Units.

Verdad had a community meeting with the surrounding neighborhood. When, where, who - was this the Lochbuie residence as well? Meeting was held on 5/22/2019 at the Afterglow Senior Citizen Center located in Lochbuie. We notified the BUOs to the North. The notification of the meeting was sent to the following people the bolded ones signed in:

Weld County

Lochbuie

Adams county

Bev and Cristobal Trevino

Michael and Susan Brassfield

Thomas Byrnas

Kristine Fett

Richard and Deborah Harmsen

John and Pam McCue

William and Cynthia Ramsel

Antonio and Elizabeth Trevino

Edmundson Tree Farm

- Only to the north? Yes what interactions has Verdad had? We emailed a summary of the meeting and discussed their concerns. With the consolidated on the pad, the conclusion of the meeting was that they would be happy to have just one pad below the crown of the hill. The only person that we have had continued discussions with is Pam McCue. As discussed on the phone regarding topographic barriers between the Location and the Building Units to the west. There is a CR between the location and the development to the west as well as the location is located at a lower elevation than the surrounding community to help reduce potential impacts.

Please let me know if you have questions or would like to discuss further.

Thanks,

Rebecca

[Quoted text hidden]