From:	Deb Lemon
To:	Steve Wheeler, P.E.; Mark Schlagenhauf (mark.schlagenhauf@state.co.us); Richard Murray - DNR
Cc:	Chuck Dobie; Brandon Coutts; Rick Madison
Subject:	RE: Domestic Tap Registrations - COGCC inspection doc: 693200379
Date:	Monday, July 29, 2019 7:21:17 PM
Attachments:	image001.png

Steve-

As mentioned in my earlier voicemail, Mustang is in receipt of the above referenced inspection notice for a domestic tap registration at the Youberg 23-24 (045-06561). Although the Youberg 23-24 previously supplied gas to a nearby domestic tap, it was disconnected sometime in late 2016-early 2017. The associated residence is now connected to gas supplied by Terra Energy Partners.

A quick note on the history - when Mustang shut-in its entire Rulison field in 2016-17 for economic reasons, Mustang provided a good faith buyout offer to all domestic tap owners connected to Mustang gas. None of the owners agreed to the offer. The owner at that time of the Youberg 23-24 tap in turn approached Terra Energy. Mineral rights for this lease are split, whereby Mustang owns and operates the Wasatch and Terra owns and operates the Mesaverde. Therefore, per the terms of the lease, Terra was obligated to provide gas to the tap in absence of production from the Wasatch formation. Terra opted to use existing lines which run through Mustang's meter house. A closer look at the pictures provided in COGCC inspection photos validates that the supply line to the domestic tap is not connected to Mustang's well, rather a Terra line simply passes through.

Mustang is well aware of the upcoming deadline to comply with COGCC's Flowline Rulemaking. Is there a reason why the inspection notice provided a deadline to comply with 1101.b by 8/28/2019, when the regulation requirement is 10/31/19? We have a domestic tap at another location, so it would be helpful to know the significance of the earlier deadline. We are currently in the planning and data gathering phase, and have a Consultant lined up to complete the field work in August-September.

Please let us know how to resolve the Corrective Action requirement on doc: 693200379.

Regards,
Deb

Deb Lemon
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From: Steve Wheeler, P.E. <steven.wheeler@state.co.us>
Sent: Friday, July 26, 2019 7:03 PM
To: Deb Lemon <dlemon@mustangresourcesllc.com>
Subject: Domestic Tap Registrations

Deb,

We conducted an inspection (doc: 693200379) related to a meter house and domestic tap. I'm reaching out to you to inform you of our domestic tap registration requirement. I'll direct you to our form 44 within e-forms and our guidance documents. The form 44 registers off-location flowlines, produced water transfer systems, crude oil transfer lines, grade 1 gas leaks, and in this case domestic tap registrations.

Known gas taps must be registered by 10/31/2019 or within 30 days of installation or discovery. Our 1101.b rule covers the installation requirements of new taps in more detail. The form itself really just requires a lat/long of the riser, some details on the connection and the address where the tap delivers gas.

Please don't hesitate to give me a call if you have any questions and/or if you would like me to walk you through the submittal process. Thanks.

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Regards,

Steve Wheeler, P.E.
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