



Planning Department

1060 East 2nd Ave
Durango, CO 81301
(970)382-6263

June 6, 2017

BP America Production Company
Attn: Naomi Azulai
380 Airport Road
Durango, CO 81303

**RE: Minor Oil and Gas Facility Application Permit # 2017-0116
BP America Production Company – State MZ 2**

Dear Ms. Azulai,

The La Plata County Planning Department (Department) has determined that your application for the State MZ 2 minor facility permit is complete. After reviewing the subject application, the Department is granting administrative approval of the facility in accordance with Section 90-74 of the Oil and Gas Regulations of the La Plata County Land Use Code (LPLUC), subject to the attached conditions of approval (COAs). Any conditions that may require additional submittals have been emphasized with *italics*. Please note COA No. 20 below. The road maintenance fee agreed to under the 2008 memorandum of understanding between La Plata County and BP America Production Company shall be paid to the County as soon as possible and before the State MZ 2 well is spud. Please feel free to contact me at 970-382-6390 if you have any questions or concerns regarding this permit approval or COAs.

Sincerely,

Brenna Kampf, Planner II
La Plata County Planning Department

La Plata County Minor Oil and Gas Facility Application



La Plata County
Colorado

Planning Department
1060 E. 2nd Ave.
Durango, CO 81301
<http://co.laplata.co.us>

RECEIVED

APR 21 2017

LA PLATA COUNTY PLANNING DEPT.

County Use Only Date Received

- APPLICATION MUST BE SUBMITTED IN PERSON OR VIA U.S. MAIL
- VERIFY FEES PRIOR TO SUBMITTING
- PLEASE REFER TO CHAPTER 90 OF LA PLATA COUNTY LAND USE CODE

Application Fees Submitted: \$ 1,300 Additional Fees Submitted: \$ _____
Proposed Facility Name: State MZ 2
12 digit Parcel #: 589907300066 Sec., Twp, Rng.: SWSW (Lot 4), Sec 7, T34N, R6W, N.1
Latitude (decimal degrees) 37.200975 Longitude (decimal degrees) -107.5499466
Measurements from Section Lines: 941 FSL & 221 FWL

Applicant: BP America, L48 Onshore Contact Person: Naomi Azulai
Address: 380 Airport Road, Durango, CO 81303 Phone: 970-375-7511
Designated Agent? Yes No (if Yes, please provide proof of designation)

Agent: _____ Contact Person: _____
Address: _____ Phone: _____
Emergency Contact: _____ Phone: _____

Surface Owner: Marcia Merry Morales Rev. Trst Surface Owner: _____
Address: 5182 CR 523, Bayfield, CO 81122 Address: _____
Phone: 970-884-9843 Phone: _____

APPLICANT'S/AGENT'S CERTIFICATION OF COMPLIANCE:

I, Patricia Campbell, designated agent for _____ (Applicant), hereby certify that the information provided to La Plata County within and related/attached to this application complies with all La Plata County and State of Colorado regulations and is true and accurate. The Applicant will be held legally responsible for all acts, errors, and omissions arising from the development specified herein, and which is undertaken by the Applicant, Applicant's Employees, and any independent contactors and subcontractors pursuant to the approval of the application by La Plata County. By signing this application in accordance with all of the regulations of the La Plata Land Use Code, I hereby authorize La Plata County Employees to inspect the site for the Proposed Facility at any time before approval or denial of this application and upon reasonable notice after approval of this application.

Signature: Patricia Campbell Date: 4/21/17

County Use Only Beneath This Line

Based on the information provided herein, this Minor Oil and Gas Facility Permit Application complies with Chapter 90 of the LPLUC and is hereby approved and permitted.

Permit/Project #: PL2017-0116
Name: Breana Kampf Title: Planner II
Signature: Breana Kampf Date: 6-6-17

CONDITIONS OF APPROVAL: SEE ATTACHED

Section I: Facility Description/Environmental Quality

1. Emergency Preparedness Plan:

Emergency Preparedness Plan has been provided to Office of Emergency Management for the current year (90-51)? Yes No

* If your Emergency Preparedness Plan is not up to date, your application will be deemed incomplete

2. Performance Security:

Is performance security for this facility covered under a blanket bond (90-49)? ^{NA} Yes No

a. If Yes, please provide the following information. Additionally please submit one copy (one time) of the bond for the County's records:

- i. Financial Institution JP Morgan Chase
- ii. Dollar Amount of Bond \$175,000
- iii. Bond # TFTS-924223

b. If No, an individual facility bond will be required. Please submit a copy of the bond and provide the following information:

- i. Financial Institution _____
- ii. Dollar Amount of Bond _____
- iii. Bond # _____

3. Proposed Minor Facility

- a. What is the primary function of the proposed Facility?
 - i. Is this Facility a Special Exception (90-125)? Yes No

* If the proposed facility is a production well and a Special Exception is being proposed, attach additional information as outlined in Section III (Supplemental Attachments), Item 1 to the permit application.

- Well Well with intermediate pipeline* Temporary storage yard (6 months or less)
- Well with special mitigation Water Pump Station (reclassified to minor facility)
- Other : _____

*If pipeline extends beyond ¼ notice area, a separate pipeline permit is required

b. If an intermediate pipeline is proposed please answer the following questions:

- i. Pipeline length and material
- ii. Lat & Long BOL: _____
- iii. Lat & Long EOL: _____

c. Well Formation and type:

- i. Formation:
 - Fruitland CBM Conventional Other : _____
- ii. Type:
 - Directional Horizontal Vertical

d. Is the new well being installed on an existing pad? Yes No

- If Yes, please fill out the information below:
- i. What is the existing pad size (in acres): _____
 - ii. What is the proposed expanded pad size including the Temporary Use Area: _____
 - iii. What will the final pad size be after the TUA has been reclaimed: _____

e. Is distribution voltage (12.43 kV 3-phase power) within ¼ mile of the site? Yes No

f. Will the proposed facility be electrified (90-122(d)(2))? Yes No

If No, please fill out the information below:

i. What is the cumulative horsepower rating for all engines and motors for the proposed facility:

At sea level: _____
At facility elevation: Up to 40hp

ii. If distribution voltage is located within ¼ mile, and the site is not proposed to be electrified, please attach information demonstrating that such electrification is infeasible.

g. What is the proposed time on location for continuous drilling and completion activities (90-19 *minor facilities requiring special mitigation measures*):
18 days continuous drilling. 4 days completion work (No frac activity planned)

h. List all equipment to be proposed onsite. Include number, size, type and model of equipment if known. A list may also be attached to the permit application. You will be required to submit a list of equipment that has been set on the location 18 months after the drilling and completion of the well, unless the well is a legal, non-conforming use (90-44e).

1 wellhead, 1 beam pump unit (artificial lift) with a gas driven engine, 1 separator.
2 steel flowlines to the separator up to 4" diameter.
Up to 4" diameter steel gas line from the separator the new gas gathering line. (to be permitted separately with La Plata County)
Up to 3" steel water line from the separator to the new water gathering line.
1 electric control box/meter house.
1 95 bbl water tank

4. Construction and drilling phase earthwork to be performed

a. What is the quantity of fill material to be brought to or removed from the site (90-41)?

Cut material: 4,442 cubic yards
Fill material: 3,325 cubic yards
Topsoil: 1,117 cubic yards
This will be a cut/fill balance

5. Narrative

a. Generally describe the facility proposed, operating plan, # of vehicles, etc. (90-41).

Routine operational pick up trucks will consist of BP personnel accessing the site once or twice a week for routine maintenance and inspection.

6. Does the proposed facility have an associated MOU? Yes No

If yes, respond to the questions below:

- a. Which MOU with La Plata County (operator name and date) applies to the proposed facility? BP 2008
- b. Which Road Maintenance Fee applies? Tier I Tier II Tier III No Tier
- c. What is the amount of the Fee? \$ 8900
- d. Is distribution voltage (12.43 kV 3-phase power) within 1/4 mile of the site? Yes No

7. Setback Issues (90-122b)

- a. Are the following setback requirements met?
 - i. Residential setbacks of 500' from wellhead: Yes No
 - ii. Property line setbacks of 150' from wellhead: Yes No
 - iii. Road, Utility, etc. setbacks of 200' from wellhead: Yes No
 - iv. Pipeline setbacks of 50' from occupied structures: Yes No
- b. If any setbacks are not met:
 - v. Was the facility drilled prior to the adoption of Chapter 90? Yes No
* If yes, skip vi. and vii., below.
 - vi. Was a waiver requested by the applicant? Yes No
 - vii. Was a waiver granted by the surface owner? Yes No
If Yes, please attach the written waiver.
If No, please provide additional information in the narrative (item 5)

8. Access Roads (90-122(c) and 90-124(c))

- a. Does the Applicant have the legal right to use the access roads? Yes No
- b. Will private roads be used to access the proposed facility? Yes No
- c. If private roads will be used, does the Applicant have a signed road maintenance or improvement agreement? Yes No
If No, provide exhibits demonstrating the applicant attempted to negotiate an agreement for the road, to comply with the provisions of 90-122(c). Please attach to the permit.

9. Water Source (90-123(e))

- a. If fresh or potable water is proposed for use during construction, drilling, and completion, please provide the source of the water: Southern Ute Indian Tribe Water Distribution Facility-Ignacio, CO
- b. If the water source proposed for use is related to a decreed water right, please list the water rights case number associated with the decree: _____

10. Provide Driving directions to the proposed facility from Durango.

From Durango, head east on HWY 160 for 9.9 miles. Turn right onto HWY 160B for 1.5 miles, turn right onto CR 521 for 2.0 miles, turn right onto CR 523 for 0.9 miles, turn left on the access road to the well site.

La Plata County Land Use Code Conditions of Approval

1. Continuous drilling and completion operations on the proposed well pad shall not continue for longer than 6 weeks without a break in operations of at least 1 week. If continuous drilling and completion operations are expected to last longer than 6 weeks, a permit modification and special mitigation measures will be required (LPLUC Secs. 90-19, Minor oil and gas facilities requiring special mitigation measures, and 90-44[II]).
2. Approval granted for the facility shall expire or be considered revoked if operations have not commenced within two years from the date of this approval, or three years with a valid permit extension (LPLUC Sec. 90-44[I]).
3. If the applicant desires to modify the subject facility by changes to the permanent equipment, site layout, or operating plan approved in this permit, the addition of new permanent equipment (including the use of a compressor), or new grading activities, an modification to the original application is required (LPLUC Sec. 90-44[II]).
4. *A current Emergency Response Plan shall be kept on file with the La Plata County Office of Emergency Management (LPLUC Sec. 90-51).*
5. A Production Well Emergency Response Information Form (Rig Move Form) shall be filed with the La Plata County Office of Emergency Management prior to using drilling, completion, re-drill, or workover rigs (LPLUC Sec. 90-52).
6. The exhaust from all engines, motors, coolers and other mechanized equipment shall be vented up or in a direction away from the closest existing residences (LPLUC Sec. 90-122[IV][A]).
7. Facilities which are not electrically operated shall be equipped with quiet design mufflers or equivalent (LPLUC Sec. 90-122[IV][B]).
8. All mechanized equipment shall be anchored so as to minimize transmission of vibration through the ground (LPLUC Sec. 90-122[IV][C]).
9. Sound emissions shall at minimum be in accordance with the standards as adopted, and amended from time to time by COGCC (LPLUC Sec. 90-122[IV][E]).
10. Open-ended discharge valves on all storage tanks, pipelines and other containers shall be secured (LPLUC Sec. 90-122[V][C]).
11. All land within 25 ft. of any tank, pit or other structure containing flammable or combustible materials shall be kept free of dry weeds, grass or rubbish (LPLUC Sec. 90-122[V][D]).

12. At all times best management practices shall be used to prevent stormwater discharges from impacting surface water quality (LPLUC Sec. 90-123[III][H]).
13. Applicant shall remove or require the removal of chains from its heavy equipment before entering a county road (LPLUC Sec. 90-124[III][A]).
14. *A driveway permit shall be obtained from the La Plata County Engineering Department in accordance with LPLUC Sec. 74-97(III)(O) for the intersection between the private driveway and CR 523 unless a permit has been previously approved (LPLUC Sec. 90-124[III][F]).*
15. Applicant shall provide a traffic control plan to the La Plata County Engineering Department prior to facility pad construction, drill rig movement commencement of construction, mobilization, demobilization, or any other disruption of two-way traffic, unless the requirement is waived by the Engineering Department Director (LPLUC Sec. 90-124[III][G]).
16. Dust shall be suppressed throughout construction, drilling and operational activities (LPLUC Sec. 90-124[III][H]).
17. The site shall be maintained free of debris and excess material at all times during operation (LPLUC Sec. 90-124[IV][A]).
18. BP America Production Company, in coordination with the La Plata County Weeds Department, is responsible for ongoing weed control of the facility site until abandonment and final reclamation is complete (LPLUC Sec. 90-124[V]).
19. Applicant shall be required to adhere to all other applicable regulations for the construction and operation of the facility, as indicated in Chapter 90 of the LPLUC.
20. *The \$8,900 road maintenance fee as determined by the 2008 Memorandum of Understanding between La Plata County and BP America Production shall be paid to La Plata County prior to spudding the State MZ 2 well.*