

STATE OF COLORADO

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Executive Director and Chief Medical Officer

Dedicated to protecting and improving the health and environment of the people of Colorado

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Colorado Department
of Public Health
and Environment

July 2, 2014

Mr. Matthew Lepore, Director
COGCC
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

Re: Colorado Department of Public Health and Environment (Department) Consultation
Recommendations for the SWEPI LP Fortune 4-9 well located in Huerfano County

Dear Mr. Lepore:

This letter describes the Department's recommendations to the Commission on conditions for approval to minimize adverse impacts for the SWEPI LP Fortune 4-9 well located in the NWSE of Section 9, Township 26S Range 70W in Huerfano County, Colorado. These recommendations are based on a conference call on July 1, 2014 with Ann Baldrige representing SWEPI, Dale Lyons the Local Governmental Designee (LGD) for Huerfano County and Mellissa Housey and Larry Coler with the Colorado Oil and Gas Conservation Commission (COGCC). This letter contains recommended conditions of approval and a request for additional information that were discussed and agreed on during the conference call.

Recommended Conditions of Approval

During the conference call SWEPI agreed to

- Utilize steel berming for the Production Facilities. These steel berms should be lined with synthetic liner material as recommended in the "Lessons Learned in the Front Range Flood of September 2013," to minimize the potential for a spill or release to impact groundwater or Muddy Creek; and
- If the location is contained within a designated flood plain SWEPI agreed to use engineered anchors on the production equipment as described in the Lessons Learned document noted above.

These additional requirements will minimize the potential for impacts from this facility and provide an extra level of protection from a spill/release or flood/high water episode.

Additional Information

The Huerfano County LGD, Dale Lyons requested information to share with citizens concerned about this well location. This request includes information on

- How to access the water quality sampling data for the well site;
- How SWEPI will communicate with local county emergency response personnel as part of the Spill Prevention and Countermeasure (SPCC) plan for this well location.
- Segment 11a of the Middle Arkansas River Basin (WQCC Regulation #32) from the Colorado Department of Public Health and Environment; and
- The question raised by citizens concerning a reduction in fracking pressures and how these pressures will be controlled and monitored during the stimulation process.

Conclusion

During the consultation of the Fortune 4-9 well application, the Department conducted a thorough review of the potential impacts to public health, safety, welfare and environment seeking a balanced approach to provide recommendations to the COGCC. This well application is a refile for a well and location previously approved with numerous conditions of approval. After considering the previously agreed on conditions of approval, this consultation letter contains one possibly two recommended conditions of approval and the request for additional information from Huerfano County to share with concerned citizens.

Sincerely,

Kent Kuster
CDPHE Oil and Gas Liaison