

**BEFORE THE OIL AND GAS CONSERVATION COMMISSION
STATE OF COLORADO**

IN THE MATTER OF CHANGES TO THE)	
RULES AND REGULATIONS OF THE OIL)	CAUSE NO. 1R
AND GAS CONSERVATION COMMISSION)	
OF THE STATE OF COLORADO)	DOCKET NO. 0803-RM-02

**INDUSTRY PARTIES'
NOTICE OF CORRECTED ALTERNATIVE LANGUAGE
FOR DRAFT RULE 805**

The Industry Parties identified on Schedule A of the July 30, 2008 industry group filing in this proceeding, and also identified in COGCC Staff's August 11, 2008 Summary of Alternatives and Recommendations at p. 2, submit this Notice of Corrected Alternative Language for Draft Rule 805, stating as follows:

1. Upon reviewing Staff's summary of alternatives and multi-colored redlined version of Draft Rule 805, it was discovered by counsel for certain Industry Parties that the redlined and clean versions of alternative language for Draft Rule 805 submitted with their July 30, 2008 Post-Hearing Statement were not the versions agreed upon by those Industry Parties, but instead were an earlier version filed in error.

2. The Industry Parties have conferred promptly upon making this discovery to confirm their desire to submit this corrected redlined and clean versions of alternative Draft Rule 805 language for purposes of better informing Commission deliberations to be held on August 19 and 20, 2008.

3. The Industry Parties do not believe this Notice of Correction will result in significant prejudice to other parties, the COGCC Staff or other involved agencies, and desire to have the most accurate reflection of their position available to the Commission's members for their deliberations on Draft Rule 805.

4. The Commission's service copies of the attached redlined and clean versions of Draft Rule 805 have been provided already three-hole punched to facilitate the placement of this corrected language in appropriate binders of industries' Post-Hearing Statement filings made on July 30, 2008.

The Industry Parties regret the need to make this corrected filing and apologize for any confusion or annoyance this may cause or has caused to the Commission, other parties, and COGCC and CDPHE Staffs.

Undersigned counsel is authorized to represent that all of the Industry Parties join in the filing of this Notice of Corrected Alternative Language for Draft Rule 805.

Respectfully submitted this 13th day of August, 2008.

s/ John R. Jacus

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CERTIFICATE OF SERVICE

I hereby certify that one (1) original and fifteen (15) true and correct copies of the attached **INDUSTRY PARTIES' NOTICE OF CORRECTED ALTERNATIVE LANGUAGE FOR DRAFT RULE 805** were served by courier delivery on the 13th day of August, 2008, and filed with the Colorado Oil and Gas Conservation Commission, as follows:

Patricia Beaver, Hearing Manager
Docket No. 0803-RM-02
Oil and Gas Conservation Commission
1120 Lincoln Street, Suite 801
Denver, Colorado 80203

and further certify that two (2) true and correct copies of said petition were served by courier delivery on the 13th day of August, 2008, to the Department of Law, as follows:

Kelly Rees
Colorado Department of Law
1525 Sherman Street, 7th Floor
Denver, Colorado 80203

and also further certify that one (1) true and correct copy of said petition was delivered by courier delivery on the 13th day of August, 2008, to the State of Colorado, as follows:

Joshua Epel, Assistant General Counsel
DCP Midstream
370 Seventeenth Street, Suite 2500
Denver, Colorado 80202

and lastly certify that true and correct electronic copies or hard copies, as appropriate, were delivered to the following:

Patricia Beaver at tricia.beaver@state.co.us
Marc Fine at marc.fine@state.co.us
Kelly Rees at kelly.rees@state.co.us
E-Parties of Record and Hard Copy Parties
of Record in this COGCC Rulemaking

s/ Christine M. Thompson _____

805. ODORS AND DUST

a. **General.** Oil and gas facilities and equipment shall be operated in such a manner that odors and dust ~~to do not constitute a nuisance or hazard to public health, safety, welfare, and the environment.~~

b. Odors.

(1) Compliance.

A. Oil and gas operations shall be conducted in compliance with applicable provisions of the Department of Public Health and Environment, Air Quality Control Commission, Regulation No. 2 Odor Emission 5 CCR 1001-4.

~~B. No oil and gas operation, wherever located, shall cause or allow the emission of odorous air contaminants from any single source such as to result in detectable odors which are measured in excess of the following limits:~~

~~i. For areas used predominantly for residential or commercial purposes, it is a violation if odors are detected after the odorous air has been diluted with seven (7) or more volumes of odor-free air;~~

~~ii. In all other land use areas, it is a violation if odors are detected after the odorous air has been diluted with fifteen (15) or more volumes of odor-free air.~~

~~C. No violation of Rule 805.b.(1) shall be cited by the Commission, provided that the practices identified in Rule 805.b.(2) are used.~~

(2) Production Equipment and Operations.

A. **Condensate Tanks.** All condensate tanks with a potential to emit volatile organic compounds (VOC) of five (5) tons per year (tpy) or greater, located in Garfield, ~~Mesa, or Rio Blanco~~ County and within ~~1/2~~ 1/4 mile of an occupied building unit, educational facility, assembly building, hospital, nursing home, board and care facility, jail, or designated outside activity area that have been verified pursuant to AQCC Regulation No. 2 as a source of nuisance odor when in normal operation shall utilize a control device capable of achieving 95% control efficiency of volatile organic compounds (VOCs) ~~and hold a valid permit from the Colorado Department of Public Health and Environment Air Pollution Control Division for the tank and control device.~~ Condensate tanks meeting the above criteria and existing on November 1, 2008 shall be in compliance with this subsection by May October 1, 2009.

B. **Crude Oil and Produced Water Tanks.** All crude oil and produced water tanks in Garfield, ~~Mesa, or Rio Blanco~~ County, with a potential to emit VOC of five (5) tpy or greater, located within ~~1/2~~ 1/4 mile of an occupied building unit, educational facility, assembly building, hospital, nursing home, board and care facility, jail, or designated outside activity area that have been verified pursuant to AQCC Regulation No. 2 as a source of nuisance odor when in normal operation shall utilize a control device capable of achieving 95% control efficiency ~~and hold a valid permit from the Colorado Department of Public Health and Environment Air~~

~~Pollution Control Division for the tank and control device.~~ Crude oil and produced water tanks meeting the above criteria and existing on November 1, 2008 shall be in compliance with this subsection by ~~May-October~~ 1, 2009.

C. **Glycol dehydrators.** All glycol dehydrators with a potential to emit VOC of five (5) tpy or greater, located in Garfield, ~~Mesa, or Rio Blanco~~ County, located within ~~1/2~~ 1/4 mile of an occupied building unit, educational facility, assembly building, hospital, nursing home, board and care facility, jail, or designated outside activity area that have been verified pursuant to AQCC Regulation No. 2 as a source of nuisance odor when in normal operation shall utilize a control device capable of achieving 90% control efficiency ~~and hold a valid permit from the Colorado Department of Public Health and Environment Air Pollution Control Division for the tank and control device.~~ Glycol dehydrators meeting the above criteria and existing on November 1, 2008 shall be in compliance with this subsection by ~~May-October~~ 1, 2009.

D. **Pits.** ~~Pits with a potential to emit more than two (2) TPY of VOCs located in Garfield, Mesa, or Rio Blanco County shall not be located within 1/2 1/4 mile of a building unit, educational facility, assembly building, hospital, nursing home, board and care facility, jail, or designated outside activity area.~~ For the purposes of this section, compliance with Rule 902.c shall be considered a required practice for good odor control with respect to pits located within 1/4 mile of an occupied building unit, educational facility, assembly building, hospital, nursing home, board and care facility, jail or designated outside activity area.

E. **Pneumatic Devices.** In instances when new, replaced, or repaired pneumatic devices are installed, low ~~no~~-bleed ~~valv~~devices must be used, where technically feasible.

(3) Well completions.

A. Green completion practices are required on gas and oil wells where reservoir pressure, formation productivity, and wellbore conditions, based upon offset well performance, are likely to enable the well to be capable of naturally flowing hydrocarbon gas in flammable or greater concentrations at a stabilized rate in excess of five hundred (500) MCFD to the surface against an induced surface backpressure of five hundred (500) psig ~~or greater or under other circumstances sales line pressure, whichever is greater.~~ Green completion practices are not required for exploratory wells, where the wells are not sufficiently proximate to sales lines, -or where green completion practices are otherwise not technically and ~~economically~~ operationally feasible, or where green completion practices would endanger the safety of wellsite personnel or the public.

B. Green completion practices shall include, but not be limited to, the following emission reduction measures:

i. The operator shall employ one or more of the following:

sand traps, surge vessels, separators, and ~~closed top~~ tanks as soon as practicable during flowback and cleanout operations to safely maximize resource recovery and minimize releases to the environment.

ii. Well effluent during flowback and cleanout operations prior to encountering hydrocarbon gas of salable quality or significant volumes of condensate may be directed to open top tanks or pits (where permitted) such that oil or condensate volumes shall not be allowed to accumulate in excess of

~~twenty (20)~~ barrels and must be removed within twenty-four (24) hours. The gaseous phase of inflammable effluent may be directed to a flare pit or vented from open top tanks for safety purposes until flammable gas is encountered.

- iii. ~~Well effluent containing more than ten (10) barrels per day of condensate or~~ within ~~two~~four (4) hours after first encountering hydrocarbon gas of salable quality, well effluent during flowback shall be directed to a combination of sand traps, separators, surge vessels, and closed top tanks or other equipment as needed to ensure safe separation of sand, hydrocarbon liquids, water, and gas, and to ensure salable products are efficiently recovered for sale or conserved and that non-salable products are disposed of in a safe and environmentally responsible manner.
- iv. ~~All liquids coming from the separator(s) shall be dumped to closed top tanks with a vapor gathering system. Flammable vapors and gas evolving from well effluent directed to closed top tanks shall be gathered and directed to a combustion device capable of 95% destruction efficiency.~~
- v. ~~Closed~~ If it safe and technically feasible, closed top tanks shall utilize backpressure systems that exert a minimum of four (4) ounces of back pressure and a maximum that ~~does not exceed~~ is at or below the pressure rating of the tank to facilitate gathering and combustion of tank vapors. Vent/backpressure valves, the combustor, lines to the combustor, and knock-outs shall be sized and maintained so as to safely accommodate any surges the system may encounter.
- vi. All salable quality gas shall be directed to the sales line as soon as practicable or shut in and conserved. Temporary flaring or venting shall be permitted as a safety measure during upset conditions and in accordance with all other applicable laws, rules, and regulations.

C. Operators may request from the Director a single well, multi-well or field-wide variance from ~~the Director if they believe that employing any requirement to utilize green completion practices contained in Rule 805(b)(3) is not feasible because of well or field conditions or that following them in a specific instance would endanger the safety of wellsite personnel or the public.~~

D. In instances where green completions are not technically feasible or are not required, operators shall employ Best Management Practices to reduce emissions. Such BMPs may include measures or actions, considering safety, to minimize the time period during which gases are emitted directly to the atmosphere, or monitoring and recording the volume and time period of such emissions. Such examples could include the flaring or venting of gas.

c. Fugitive dust.

Operators shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, and restriction of construction activity during high-wind days. Additional management practices ~~such as road surfacing, wind breaks and barriers, or automation of wells to reduce truck traffic~~ may also be implemented if technologically feasible and economically reasonable to minimize fugitive dust emissions. Oil and gas operations shall be performed in compliance with applicable provisions of the Department of Public Health and Environment, Air Quality Control Commission, Regulation No.1, III.D. Fugitive Particulate Emissions 5 CCR 1001-3.

~~Any oil and gas operator engaged in clearing or leveling of land or owner or operator of land that has been cleared that is greater than five (5) acres in attainment areas or one (1) acre in nonattainment areas from which fugitive dust will be emitted shall be required to use all available and practical methods which are technologically feasible and economically reasonable to minimize such fugitive dust emissions.~~

805. ODORS AND DUST

a. **General.** Oil and gas facilities and equipment shall be operated in such a manner that odors and dust do not constitute a nuisance.

b. Odors.

(1) Compliance.

A. Oil and gas operations shall be conducted in compliance with applicable provisions of the Department of Public Health and Environment, Air Quality Control Commission, Regulation No. 2 Odor Emission 5 CCR 1001-4.

(2) Production Equipment and Operations.

A. **Condensate Tanks.** All condensate tanks with a potential to emit volatile organic compounds (VOC) of five (5) tons per year (tpy) or greater, located in Garfield County and within ¼ mile of an occupied building unit, educational facility, assembly building, hospital, nursing home, board and care facility, jail, or designated outside activity area that have been verified pursuant to AQCC Regulation No. 2 as a source of nuisance odor when in normal operation shall utilize a control device capable of achieving 95% control efficiency of volatile organic compounds (VOCs). Condensate tanks meeting the above criteria and existing on November 1, 2008 shall be in compliance with this subsection by October 1, 2009.

B. **Crude Oil and Produced Water Tanks.** All crude oil and produced water tanks in Garfield County, with a potential to emit VOC of five (5) tpy or greater, located within ¼ mile of an occupied building unit, educational facility, assembly building, hospital, nursing home, board and care facility, jail, or designated outside activity area that have been verified pursuant to AQCC Regulation No. 2 as a source of nuisance odor when in normal operation shall utilize a control device capable of achieving 95% control efficiency. Crude oil and produced water tanks meeting the above criteria and existing on November 1, 2008 shall be in compliance with this subsection by October 1, 2009.

C. **Glycol dehydrators.** All glycol dehydrators with a potential to emit VOC of five (5) tpy or greater, located in Garfield County, located within ¼ mile of an occupied building unit, educational facility, assembly building, hospital, nursing home, board and care facility, jail, or designated outside activity area that have been verified pursuant to AQCC Regulation No. 2 as a source of nuisance odor when in normal operation shall utilize a control device capable of achieving 90% control efficiency. Glycol dehydrators meeting the above criteria and existing on November 1, 2008 shall be in compliance with this subsection by October 1, 2009.

D. **Pits.** For the purposes of this section, compliance with Rule 902.c shall be considered a required practice for good odor control with respect to pits located within ¼ mile of an occupied building unit, educational facility, assembly building, hospital, nursing home, board and care facility, jail or designated outside activity area..

E. **Pneumatic Devices.** In instances when new, replaced, or repaired pneumatic devices are installed, low-bleed devices must be used, where technically feasible.

(3) Well completions.

A. Green completion practices are required on gas and oil wells where reservoir pressure, formation productivity, and wellbore conditions, based upon offset well performance, are likely to enable the well to be capable of naturally flowing hydrocarbon gas in flammable or greater concentrations at a stabilized rate in excess of five hundred (500) MCFD to the surface against an induced surface backpressure of five hundred (500) psig sales line pressure, whichever is greater. Green completion practices are not required for exploratory wells, where the wells are not sufficiently proximate to sales lines, where green completion practices are otherwise not technically and operationally feasible, or where green completion practices would endanger the safety of wellsite personnel or the public.

B. Green completion practices shall include, but not be limited to, the following emission reduction measures:

i. The operator shall employ one or more of the following:

sand traps, surge vessels, separators, and tanks as soon as practicable during flowback and cleanout operations to safely maximize resource recovery and minimize releases to the environment.

ii. Well effluent during flowback and cleanout operations prior to encountering hydrocarbon gas of salable quality or significant volumes of condensate may be directed to open top tanks or pits (where permitted) such that oil or condensate volumes shall not be allowed to accumulate in excess of twenty (20) barrels and must be removed within twenty-four (24) hours. The gaseous phase of inflammable effluent may be directed to a flare pit or vented from open top tanks for safety purposes until flammable gas is encountered.

iii. Within four (4) hours after first encountering hydrocarbon gas of salable quality, well effluent during flowback shall be directed to a combination of sand traps, separators, surge vessels, and tanks or other equipment as needed to ensure safe separation of sand, hydrocarbon liquids, water, and gas, and to ensure salable products are efficiently recovered for sale or conserved and that non-salable products are disposed of in a safe and environmentally responsible manner.

iv. If it safe and technically feasible, closed top tanks shall utilize backpressure systems that exert a minimum of four (4) ounces of back pressure and a maximum that is at or below the pressure rating of the tank to facilitate gathering and combustion of tank vapors. Vent/backpressure valves, the combustor, lines to the combustor, and knock-outs shall be sized and maintained so as to safely accommodate any surges the system may encounter.

v. All salable quality gas shall be directed to the sales line as soon as practicable or shut in and conserved. Temporary flaring or venting shall be permitted as a safety measure during upset conditions and in accordance with all other applicable laws, rules, and regulations.

C. Operators may request from the Director a single well, multi-well or field-wide variance from any requirement to utilize green completion practices contained in Rule 805(b)(3).

D. In instances where green completions are not technically feasible or are not required, operators shall employ Best Management Practices to reduce emissions. Such BMPs may include measures or actions, considering safety, to minimize the time period during which gases are emitted directly to the atmosphere, or monitoring and recording the volume and time period of such emissions. Such examples could include the flaring or venting of gas.

c. Fugitive dust.

Operators shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, and restriction of construction activity during high-wind days. Additional management practices may also be implemented if technologically feasible and economically reasonable to minimize fugitive dust emissions. Oil and gas operations shall be performed in compliance with applicable provisions of the Department of Public Health and Environment, Air Quality Control Commission, Regulation No.1, III.D. Fugitive Particulate Emissions 5 CCR 1001-3.