



Illinois Department of Natural Resources

One Natural Resources Way Springfield, Illinois 62702-1271
www.dnr.illinois.gov

Bruce Rauner, Governor
Wayne A. Rosenthal, Director

August 28, 2017

Woolsey Operating Company, LLC
125 North Market St. Ste. 1000
Wichita, KS 62702

Re: HVVHF Application for Woodrow #1H-310408-193 (Review #HVHVF-000001)
Sec. 31, T04S, R08E, White County, Illinois

Mr. Woolsey:

Please be advised that the Department has reviewed the amended application for HVVHF-000001 which was submitted to the Department on August 24, 2017. Based on the Department's review of your amended application, and for the reasons set forth in Attachment A, the amended application submitted to perform HVVHF operations on the above-referenced well cannot be issued as submitted as it does not meet the requirements of the HFRA and associated rules and regulations.

This letter should be considered a deficiency letter under Section 1-35(j) of the HFRA and 62 Ill. Adm. Code 245.230(b). Review of your application cannot be completed until all of the items noted in Attachment A have been submitted or are otherwise resolved. Also, be advised that the Department:

"...shall have no more than 60 calendar days from the date it receives the permit application to approve, with any conditions the Department may find necessary, or reject the application for the high volume horizontal hydraulic fracturing permit. The applicant may waive, in writing, the 60-day deadline upon its own initiative or in response to a request by the Department." 225 ILCS 732/1-35(i), 62 Ill. Adm. Code 240.300(a).

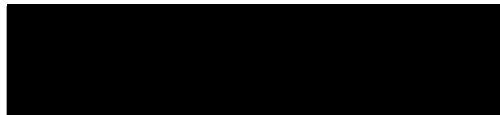
On June 26, 2017, your company granted the Department an extension which ends on August 31, 2017. In order for the Department to complete its review prior to August 31st, please submit a response to the deficiencies listed in Attachment A by the close of business on August 30, 2017. Failure to respond to this letter in a timely manner may result in your application being rejected or denied at the end of the review period as set forth in 225 ILCS 732/1-35(j), 1-60(a) and 62 Ill. Adm. Code 245.300 and 245.310(a).

options:

- 1) By the close of business on August 30, 2017, provide a formal response to this letter, in writing, addressing all items in their entirety, or request an extension of time which will still allow the Department to complete the required review of the new information by August 31, 2017; or
- 2) If you cannot provide a complete response which the Department can fully review by August 31, 2017, extend, in writing, the August 31, 2017 deadline to provide the Department more time to complete the review of your HVHHF permit application.

Please submit all responses and questions to Doug Shutt via mail or email at the contact information below, including the review number assigned to your permit application: **HVHHF-000001**.

Sincerely,



Doug Shutt
Permit Manager
Office of Oil and Gas Resource Management
One Natural Resources Way
Springfield, Illinois 62702
217-782-7756
Doug.Shutt@illinois.gov

Attachment A - 2 pages

ATTACHMENT A TO AUGUST 14, 2017 DEFICIENCY LETTER FOR HVHHF-000001

The following deficiencies were noted during the review of your application:

1. Hydraulic Fracturing Fluids and Flowback Plan

According to 62 IAC Section 245.210(a)(11), Hydraulic Fracturing Fluids and Flowback Plan, the following items shall be addressed:

- A) A hydraulic fracturing fluids and flowback plan for the handling, storage, transportation, and disposal, recycling, or reuse of hydraulic fracturing fluids and hydraulic fracturing flowback consistent with the requirements of Subpart H. The plan shall identify the specific Class II injection well or wells that will be used to dispose of the hydraulic fracturing flowback or the facilities where the hydraulic fracturing flowback will be reused or recycled. The plan shall describe the capacity of the tanks to be used for the capture and storage of flowback and of the lined reserve pit to be used, if necessary, to temporarily store any flowback in excess of the capacity of the tanks. Identification of the Class II injection well or wells shall be by name, identification number, and specific location and shall include the date of the most recent mechanical integrity test for each Class II injection well (Section 1-35(b)(11) of the Act) and

Application Deficiencies

- a) 245.210(a)(11)(A) requests a hydraulic fracturing fluids and flowback plan for the handling, storage, transportation, and disposal, recycling, or reuse of hydraulic fracturing fluids and hydraulic fracturing flowback consistent with the requirements of Subpart H. Specifically, the plan states, "As the chemicals are mixed "on-the-fly" only fresh water will be left in the makeup tanks save for one lined acid tank." The plan does not describe the process used for mixing the chemicals with the fresh water.

To resolve submit a revised Hydraulic Fracturing Fluids and Flowback Plan including the following:

- A) A narrative addressing the process utilized to mix the chemicals with the fresh water and acid and how the materials will be handled during the mixing process.

2. Containment Plan

According to 62 IAC Section 245.210(a)(13), Containment Plan, the following items shall be addressed: A containment plan describing the containment practices and equipment to be used and the area of the well site where containment systems will be employed (Section 1-35(b)(13) of the Act) to be compliant with Sections 245.820, 245.825 and 245.830.

245.825 requires that hydraulic fracturing additives, hydraulic fracturing fluid, hydraulic fracturing flowback, and produced water shall be stored in above-ground tanks pursuant to the requirements of this Section at all times until removed for proper disposal or recycling.

Application Deficiencies

- a) 245.820 requires that no more than one hour before initiating any stage of the high volume horizontal hydraulic fracturing operations, all secondary containment required pursuant to Section 245.825(b), must be visually inspected by the permittee or the contractor performing the HVHHF operations on behalf of the permittee to ensure that all structures and equipment are in place and in proper working order. The containment plan does not mention the intent to inspect the containment in accordance with 845.820.
- b) 245.825(a)(1-5) require specific requirements for each type of tank (hydraulic fracturing additives,

hydraulic fracturing fluid, hydraulic fracturing flowback, and produced water). The application did not specifically identify each of these types of tanks as meeting the requirements of 245.825. It states that the tanks storing the constituent chemicals will meet the requirements set out in 245.825 and Section 1-75(c)(4) of the Act, but does not address any of the other tanks mentioned within the Containment Plan.

To resolve submit a revised Containment Plan including the following:

- A) A statement indicating that the secondary containment will be inspected as required by 245.820; and
- B) Statements specifically identifying the various types of tanks to be utilized (hydraulic fracturing additives, hydraulic fracturing fluid, hydraulic fracturing flowback, and produced water) and addressing the compliance of each with the requirements of 245.825 and 245.210(a)(13).

Please submit all responses and inquiries to Doug Shutt vial mail or email at the following address:

Doug Shutt
RE: 8/14/2017 Deficiency Letter for HVHFF-000001
Office of Oil and Gas Resource Management
One Natural Resources Way
Springfield, Illinois 62702
217-782-7756
Doug.Shutt@illinois.gov