

FORM

15

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Doc# 2590052

2A Doc# 2583716

State of Colorado

Oil and Gas Conservation Commission

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COGCC

EARTHEN PIT REPORT/PERMIT

This form is to be used for both reporting and permitting pits. Rule 903 describes when a Permit with prior approval, or a Report within 30 days, is required for pits. Submit required attachments and forms.

Complete the
Attachment Checklist

FORM SUBMITTED FOR:

☐ Pit Report☒ Pit Permit

Oper OGCC

OGCC Operator Number: 77330

Name of Operator: SG Interests I, Ltd.

Address: PO Box 26

City: Montrose State: CO Zip: 81402

Contact Name and Telephone:

Catherine Dickert

No: 970-209-6464

Fax: 970-252-0636

Detailed Site Plan	✓	
Topo Map w/ Pit Location	✓	
Water Analysis (Form 25)	✓	
Source Wells (Form 26)	✓	
Pit Design/Plan & Cross Sect	✓	
Design Calculations	✓	
Sensitive Area Determ.	✓	
Mud Program		
Form 2A	✓	

API Number (of associated well): _____ OGCC Facility ID (of other associated facility): 423375

Pit Location (QtrQtr, Sec, Twp, Rng, Meridian): NWNE Section 26-T11S-R90W 6th PM

Latitude: 39.076344 Longitude: -107.413630 County: Gunnison

Pit Use: ☐ Production ☐ Drilling (Attach mud program) ☒ Special Purpose (Describe Use): Flowback Fluids PitPit Type: ☒ Lined ☐ Unlined Surface Discharge Permit: ☐ Yes ☒ NoOffsite disposal of pit contents: ☒ Injection ☐ Commercial Pit/Facility Name: McIntyre Flowback Pit/Facility No: Pit #3

Attach Form 26 to identify Source Wells and Form 25 to provide Produced Water Analysis results.

Existing Site Conditions

Is the location in a "Sensitive Area?" ☒ Yes ☐ No Attach data used for determination.

Distance (in feet) to nearest surface water: 639' ground water: 49' water wells: 8367'

LAND USE (or attach copy of Form 2A if previously submitted for associated well) Select one which best describes land use:

Crop Land: ☐ Irrigated ☐ Dry Land ☐ Improved Pasture ☐ Hay Meadow ☐ CRPNon-Crop Land: ☒ Rangeland ☐ Timber ☐ Recreational ☐ Other (describe): _____Subdivided: ☐ Industrial ☐ Commercial ☐ Residential

SOILS (or attach copy of Form 2A if previously submitted for associated well)

Soil map units from USNRCS survey: Sheet No: _____ Soil Complex/Series No: Fughes #38

Soils Series Name: Fughes Loam, 15-25% slopes Horizon thickness (in inches): A: 0-5" ; B: 5-44" ; C: 4-60"

Soils Series Name: _____ Horizon thickness (in inches): A: _____ ; B: _____ ; C: _____

Attach detailed site plan and topo map with pit location.

Pit Design and Construction

Size of pit (feet): Length: 600' Width: 150' Depth: 14'

Calculated pit volume (bbls): 143,600 Daily inflow rate (bbls/day): 3,000 when filling

Daily disposal rates (attach calculations): Evaporation: 0-5 bbls/day Percolation: 0 bbls/day

Type of liner material: synthetic polyethylene and geosynthetic clay liner Thickness: 60 mil (see liner detail)

Attach description of proposed design and construction (include sketches and calculations).

Method of treatment of produced water prior to discharge into pit (separator, heater treater, other): Inline filter system.

Is pit fenced? ☒ Yes ☐ No Is pit netted? ☒ Yes ☐ No

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct, and complete.

Print Name: Catherine Dickert

Signed: Catherine Dickert

Title: Environmental and Permitting Manager

Date: 3/9/2011

OGCC Approved: _____

Title: OGLA SUPERVISOR

Date: 5/27/11

CONDITIONS OF APPROVAL, IF ANY:

FACILITY NUMBER: 418791

CONSTRUCT AND OPERATE IN ACCORDANCE WITH ATTACHED COAs (Doc# 2033779)

**SG Interests I LTD, McIntyre Flowback Pit No. 3, NWNE Sec 26 T11S R90W,
Gunnison County, Form 15 Pit Permit Conditions of Approval, Associated Form
2A #2583716**

Pits shall meet the design and construction parameters as defined in the Form 28 submittals and subsequent documents associated with Facility ID #421066.

Pits will be operated in accordance with the operations plan submitted and revised with the Form 28 for Facility ID #421066.

Operator will complete the process of converting this pit complex to a Centralized E&P Waste Management Facility in accordance with Rule 908 within 3 years of commencing use of the pit or will close and reclaim the pit by that date.

Operator must implement all operations detailed in the operating plan, pit liner installation specifications, and all other attachments to the Form 15 and Form 28 in accordance with the 900-Series Rules.

Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us), the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us), and the COGCC Field Inspector for Northwest Colorado (Chuck Browning email chuck.browning@state.co.us) 48 hours prior to construction of the site.

Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.

After installation of the uppermost liner and prior to operating the pit, the synthetic liner(s) shall be tested by filling the pit with at least 8 feet of fresh water, measured from the base of the pit (not to exceed the 2- foot freeboard requirement). The operator shall monitor the pit for leaks for a period of 72 hours prior to commencing operations. Similar 72-hour hydrotests shall be conducted and documented annually thereafter prior to re-commencing operation of the pit(s) following winter shut down. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) 48 hours prior to start of the hydrotest(s). Initial hydrotest monitoring results must be provided to the COGCC prior to using the pit; all hydrotest records must be maintained by the operator for the life of the pit and provided to the COGCC upon request.

Operator must submit a professional engineer (PE) approved/stamped as-built drawing (plan view and cross-sections) of the completion/flowback pit within 30 calendar days of construction.

The nearby downgradient hillside below the pit location must be monitored monthly for any day-lighting of fluids throughout pit operations.

The completion/flowback fluids multi-well pit must be fenced and netted. The operator must maintain the fencing and netting until the pit is closed.

Pit(s) shall be closed in accordance with Rule 905 Closure of Pits, and Buried or Partially Buried Produced Water Vessels.

Flowback and stimulation fluids from the wells/pads being completed using these pits must be sent to tanks and/or filters to allow the sand to settle out before the fluids can be placed into any pipeline or pit. The flowback and stimulation fluid tanks and/or filters must be placed on the individual well pad(s) in an area with downgradient perimeter berming sufficiently impervious to contain any spilled or released material (per Rule 604.a.(4)).

Operator must submitted a Form 4 Sundry prior to any addition of wells as source produce water, changes or deviations from the operating plans, rerouting of the surface poly lines, from the approved Form 2A, Form 15, and/or Form 28 to the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Environmental Supervisor for Western Colorado (Alex.fischer@state.co.us) for prior approval.

Prior to installing surface poly pipelines in roadside ditches, operator shall mechanically clean ditches to remove objects which may otherwise pose a damage hazard to the pipeline and to ensure that the pipelines do not adversely affect the ditches capacity to transport runoff.

Operator shall pressure test surface poly-pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service and following any reconfiguration of the pipeline network. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us), the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us), and the COGCC Field Inspector for Northwest Colorado (Chuck Browning email chuck.browning@state.co.us) 48 hours prior to testing surface poly pipeline.

Operator shall conduct daily inspections of surface poly pipeline routes for leaks during active transfer of fluids. Inspections shall be conducted by viewing the length of the pipeline; operator will endeavor to minimize surface disturbance during pipeline monitoring. The operator shall maintain records of inspections, findings and repairs, if necessary, for the life of the pits.

Operator will utilize, to the extent practical, all existing access, forest service, other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface poly pipeline. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.

Operator shall provide secondary containment for the surface poly pipeline at all sensitive area crossings in accordance with the design details included in the attached drawings.

Operator must routinely inspect the entire length of the surface poly pipeline to ensure integrity.

Operator must implement best management practices to contain any unintentional release of fluids at the pit location, as well as along all portions of the surface poly pipeline route where temporary or permanent pumps and other necessary equipment are located.

Prior to pit closure, operator must submit E&P waste disposal information via a Form 4 Sundry Notice to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Environmental Supervisor for Western Colorado (alex.fischer@state.co.us) for approval. In addition, operator shall collect a pit water sample and, at a minimum, analyze for the following parameters: pH; alkalinity; specific conductance; major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); BTEX/DRO; TPH; PAH's (including benzo[a]pyrene); and metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium). At the time of closure and disposal of pit water, COGCC may require additional analyses.

Submit additional disposal facilities (wells, pits, etc.) for pit contents to COGCC via a Form 4 Sundry prior to disposal to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Environmental Supervisor for Western Colorado (Alex Fischer; alex.fischer@state.co.us) for approval.

If operator changes filter unit from Model # SWD10R29.50P, the new filter information shall be submitted to the COGCC via a Form 4 Sundry Notice.

Operator shall provide engineered calculations (using Bernoulli's equation, or other) to determine the site- and pit-specific Action Leak Rate (ALR) for the McIntyre Flowback Pits.

Operator shall verify through the initial 72-hour leak test that the calculated ALR is correct or adjust the value as necessary. Proposed changes to the ALR shall be submitted to the COGCC via Form 4 Sundry Notice for approval.