FORM 15 Rev 10/11

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109

OGCC RECEPTION

Document Number:
400306819

ATTACHMENTS

Detailed Site Plan	
Design/Cross Sec	
Topo Map	
Calculations	
Sensitive Area Info	
Mud Program	
Form 2A	
Form 26	
Water Analysis	

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.

Form Type: [X] **PERMIT** [ ] **REPORT** OGCC PIT NUMBER: 429725

NOTE: Operator to provide OGCC Pit Number only if available on an existing pit for pit report

OGCC Operator Number: 10335 Contact Name: Jess Peonio

Name of Operator: AXIA ENERGY LLC

Address: 1430 LARIMER STREET #400 Phone: (720) 746-5212

City: DENVER State: CO Zip: 80202 Email: jpeonio@axiaenergy.com

Pit Location Information

Operator's Pit/Facility Name: Bulldog5-31H-790Completion Pit Operator's Pit/Facility Number:

API Number (associated well): 05- 081 07727 01

OGCC Location ID (associated location): 428927 Or Form 2A # 400255568

Pit Location (QtrQtr, Sec, Twp, Rng, Meridian): Lot 6-5-7N-90W-6

Latitude: 40.600627 Longitude: -107.512497 County: MOFFAT

Operation Information

Pit Use/Type (Check all that apply): Pit Type: [X] Lined [ ] Unlined

[X] Drilling: (Ancillary, Completion, Flowback, Reserve Pits) [ ] Oil-based Mud; [ ] Salt Sections or High Chloride Mud

[ ] Production: [ ] Skimming/Settling; [ ] Produced Water Storage; [ ] Percolation; [ ] Evaporation

[ ] Special Purpose: [ ] Flare; [ ] Emergency; [ ] Blowdown; [ ] Workover; [ ] Plugging; [ ] BS&W/Tank Bottoms

[X] Multi-Well Pit: Construction Date: 07/20/2012 Actual or Planned: Planned

Method of treatment prior to discharge into pit: Flowback tank settling/filter

Offsite disposal of pit contents: [ ] Injection; [ ] Commercial; [X] Reuse/Recycle; [ ] NPDES; Permit Number:

Other Information: Plan is to reuse flowback water on well completions in the project area.

Site Conditions

Distance (in feet) to the nearest surface water: 1000 Ground Water (depth): 420 Water Well: 3035

Is this location in a Sensitive Area? No Existing Location?

Pit Design and Construction

Size of Pit (in feet): Length: 450 Width: 350 Depth: 17 Calculated Working Volume (in barrels): 344220

Flow Rates (in bbl/day): Inflow: 15000 Outflow: Evaporation: 0 Percolation: 0

Primary Liner. Type: HDPE Thickness (mil): 24

Seconday Liner (if present): Type: HDPE Thickness (mil): 24

Is Pit Fenced? Yes Is Pit Netted? Yes Leak Detection? Yes

Other Information: Pit will have leak detection and will conform to the COA's outlined in the approved Form 2A.

Operator Comments:

Certification

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

Signed: Print Name: Jess Peonio

Title: Regulatory Manager Email: jpeonio@axiaenergy.com Date: 07/10/2012

Approval

Signed: _____ Title: Director of Cogcc Date: 07/27/2012

BMP

Type	Comment

Total: 0 comment(s)

CONDITIONS OF APPROVAL:

Notify COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of construction of the well pad, start of construction of the pit (if different), pit liner installation, and start of fracing operations (via Form 42).

The completions pit must be double-lined. The pit will also require a leak detection system (Rule 904.e).

Delivery and vacuum truck hoses will not be allowed to be placed directly onto the pit liner. Operator will construct a loading/unloading station located next to the pit, to deliver fluids to or remove fluids from the pit by truck. The loading/unloading station shall be designed and utilized to prevent hoses from being dropped into the pits and dragged over the liner, which could lead to liner damage. The loading/unloading station will be the only permitted access for manual fluids transfers to or from the pit. Vehicles will not be allowed to approach the pit any closer than the loading/unloading station. Each station will have a catch basin in case a leak occurs while operations personnel are connecting or disconnecting hoses. Signs clearly marking the truck loading/unloading station shall be provided and maintained by the operator.

Operator must submit as-built drawings (plan view and cross-sections) of the completion pit within 14 calendar days of construction.

Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface pipelines or configuration of the permanent pipeline network.

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 70 percent of operating capacity of 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 draining the pit and commencing operations. The leak detection system must also be monitored during the entire test. 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. Hydrotest monitoring results must be maintained by the operator for the life of the pit and provided to COGCC prior to using the pit.

In lieu of conducting an initial hydrostatic test of the pit, the operator can monitor fluid levels in the pit continuously using a minimum of two pressure transducers located at the upgradient and downgradient ends of the pit (based on the original topographic profile). These pressure transducers should be linked to the operator's SCADA system such that they can be remotely monitored. In addition, the pit liner will be marked at the two foot freeboard depth line so that operations personnel (as well as COGCC inspectors) can easily verify that the required fluid free board is being maintained. The electronically collected water level measurement data shall be used to confirm changes in pit inflow and outflow during operations based on estimates from truck and/or pipeline delivery or removal activities. Any abnormalities that are noticed during operations will be reported to the operator's field supervisor immediately so that any necessary follow-up can be scheduled.

Flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

For pits containing fluids other than freshwater only; the pit must be fenced and netted. The operator must maintain the fencing and netting until the pit is closed.

Surface water samples (one upgradient and one downgradient from the pit/well pad location) from Coon Gulch (if water is present) shall be collected prior to pit use and every 12 months to evaluate potential impacts from pit operations. At a minimum, the surface water samples will be analyze for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/DRO.

The operator shall submit, and receive approval of, a reuse and recycling plan per Rule 907.a.(3), prior to any offsite reuse/recycling of pit fluids.

Submit additional disposal facilities (wells, pits, etc.), if necessary (i.e., if original disposal option changes), for pit liquid contents to COGCC via a Form 4 Sundry prior to disposal.

Pits used exclusively for drilling shall be closed in accordance with the 1000-Series Rules. Any pit(s) used for purposes other than drilling shall be closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels; with an approved Site Investigation and Remediation Workplan, Form 27.

At the time of pit closure, operator must submit disposal information for solids, if necessary, via a Form 4 Sundry Notice to the COGCC Location Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us). The disposal method will need to be approved prior to operator starting pit closure.