

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:

400609122

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: ☒ PERMIT ☐ REPORT

OGCC PIT NUMBER: _____

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

OGCC Operator Number: 10433

Contact Name: Wayne P Bankert

Name of Operator: PICEANCE ENERGY LLC

Address: 1512 LARIMER STREET #1000

Phone: (970) 812-5310

City: DENVER

State: CO

Zip: 80202

Email: wbankert@laramie-energy.com

ATTACHMENTS

Detailed Site Plan

Design/Cross Sec

Topo Map

Calculations

Sensitive Area Info

Mud Program

Form 2A

Form 26

Water Analysis

Pit Location Information

Operator's Pit/Facility Name: _____ Operator's Pit/Facility Number: _____

API Number (associated well): 05- _____ 00

OGCC Location ID (associated location): 335166 Or Form 2A # 400586579

Pit Location (QtrQtr, Sec, Twp, Rng, Meridian): NENE-31-6S-93W-6

Latitude: 39.489540 Longitude: -107.811990 County: GARFIELD

Operation Information

Pit Use/Type (Check all that apply): Pit Type: ☒ Lined ☐ Unlined☒ 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☒ Multi-Well Pit: Construction Date: 05/19/2014 Actual or Planned: Planned

Method of treatment prior to discharge into pit: _____

Offsite disposal of pit contents: ☐ Injection; ☒ Commercial; ☐ Reuse/Recycle; ☐ NPDES; Permit Number: _____

Other Information: This form 15 is for re-opening and expanding a completion pit that was originally permitted and approved by the COGCC and BLM prior to 2009. This is a temporary combination produced water, freshwater storage pit to support completion of 5 wells on an adjacent Federal 2011 production unit. Once the completions are finished, the pit will be drained, the liner will be removed, and the pit will be backfilled. The location will return to its original state. 40 mil liner to be installed. Minimum 2' freeboard.

Site Conditions

Distance (in feet) to the nearest surface water: 283 Ground Water (depth): 80 Water Well: 2725

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

Pit Design and Construction

Size of Pit (in feet): Length: 150 Width: 130 Depth: 15 Calculated Working Volume (in barrels): 40000

Flow Rates (in bbl/day): Inflow: 30000 Outflow: 30000 Evaporation: _____ Percolation: _____

Primary Liner. Type: Poly Thickness (mil): 40

Secondary Liner (if present): Type: _____ Thickness (mil): _____

Is Pit Fenced? Yes Is Pit Netted? No Leak Detection? No

Other Information: Pit will be fenced after construction. No netting is anticipated because of the limited time it will be in service and the amount of activity that will be on the site while the pit is in use. The pit will be filled from a temporary water line to be installed from an Encana water facility to the South. Piceance and Encana are working to amend their existing water use agreement to include this site. Also Piceance Energy intend to supplement water from Encana by hauling produced water from its field operations during the completion phase the The BLM is currently permitting the temporary line as a Right of Way and also approving the BLM Sundry for the pit. Flow Rates based on intermittent use during completion operations.

Operator Comments: PIT IS TEMPORARY. RE-opening and expansion of original pit approved by BLM in original NEPA process. ANTICIPATED USAGE IS NOT TO EXCEED 3 MONTHS FROM FIRST STORAGE. PIT IS NEEDED TO SUPPORT COMPLETION OPERATIONS OF 5 WELLS ON ADJACENT PAD TO REDUCE TRUCKING AND ENVIRONMENTAL IMPACTS. PIT WILL BE MONITORED DURING TIMES OF USE WHEN >50% Full.

Certification

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

Signed: _____ Print Name: Wayne P. Bankert
 Title: Snr. Reg. & Env. Coord. Email: wbankert@laramie-energy.com Date: _____

Approval

Signed: _____ Title: Director of Cogcc Date: _____

Best Management Practices

| No | BMP/COA Type | Description |
|----|-----------------------------|--|
| 1 | Wildlife | The pit is to be fenced to eliminate access by wildlife and or livestock. The pit will not be netted due to its short duration and also because the amount of activity that will be involved on location during its use. |
| 2 | Storm Water/Erosion Control | The Pit will be monitored and maintained under Piceance Energy's existing Helmer Gulch Stormwater Management plan for this area. |
| 3 | Construction | The pit will be constructed and lined by an operator with knowledge and experience of constructing these types of pits in the Piceance Basin. |

Total: 3 comment(s)

CONDITIONS OF APPROVAL:

| COA Type | Description |
|----------|-------------|
| | |