

State of Colorado Oil and Gas Conservation Commission

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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: 437295

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

Pit Location Information

Operator's Pit/Facility Name: Federal Operator's Pit/Facility Number: 31-01
 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 2014 (Section 5). 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.

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: Evaporation: Percolation:
 Primary Liner. Type: Poly Thickness (mil): 24
 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: 05/15/2014

Approval

Signed: Matthew Lee Title: Director of Cogcc Date: 05/23/2014

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
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:

<u>COA Type</u>	<u>Description</u>
	Pit shall be closed in accordance with an approved Site Investigation and Remediation Workplan, Form 27, and in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.
	The pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.