

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Wednesday, July 23, 2014 3:20 PM
To: Dave Kubeczko - DNR
Subject: FW: Axia Energy, Bulldog 13-21H-893 Pad, NWNE Sec 13 T8N R93W, Moffat County, Form 2A #400334445 Review

Scan No 2107058 CORRESPONDENCE 2A#400334445

From: Jess Peonio [mailto:jpeonio@axiaenergy.com]
Sent: Wednesday, May 21, 2014 7:12 AM
To: Lisa Smith; Dave Kubeczko - DNR
Subject: RE: Axia Energy, Bulldog 13-21H-893 Pad, NWNE Sec 13 T8N R93W, Moffat County, Form 2A #400334445 Review

Axia agrees with the COA's.

Jess A. Peonio

Sr. Drilling Engineer/Regulatory Manager

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From: Lisa Smith [mailto:lisa@permitco-usa.com]
Sent: Tuesday, May 20, 2014 5:04 PM
To: Dave Kubeczko - DNR; Jess Peonio
Subject: Re: Axia Energy, Bulldog 13-21H-893 Pad, NWNE Sec 13 T8N R93W, Moffat County, Form 2A #400334445 Review

Hi Dave.

Thank you. I'm passing these along to Jess for this approval. We'll let you know ASAP.

Lisa



Lisa Smith

PermitCo Inc.

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On Tue, May 20, 2014 at 4:56 PM, Dave Kubeczko - DNR <dave.kubeczko@state.co.us> wrote:
Lisa,

I have been reviewing the Bulldog 13-21H-893 Pad **Form 2A** (#400334445). COGCC will attach the following conditions of approval (COAs) based on the data Axia Energy has submitted on or attached to the Form 2A prior to passing the Oil and Gas Location Assessment (OGLA) review.

Planning: The following conditions of approval (COAs) will apply:

COA 91 - Notify the COGCC 48 hours prior to start of pad reconstruction, rig mobilization, spud, pipeline testing (if applicable), start of hydraulic stimulation operations, and start of flowback operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

Construction: The following conditions of approval (COAs) will apply:

COA 23 - Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations; including, but not limited to, construction of a berm or diversion dike, diversion/collection trenches within and/or outside of berms/dikes, site grading, or other comparable measures (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. 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.

Drilling/Completions: The following conditions of approval (COAs) will apply:

COA 11 - A closed loop system must be implemented during drilling; or, if a drilling pit is constructed, an amended Form 2A must be submitted and a Form 15 submitted if operator plans on using either oil based muds or high chloride/TDS mud. The pit must be lined. All cuttings generated during drilling with oil based muds or high chloride/TDS mud must be kept in the lined drilling pit, or placed either in containers, lined trenches, or on a lined/bermed portion of the well pad; prior to disposition. The moisture content of any drill cuttings in a cuttings trench or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1. All liners associated with drilling mud and cuttings must be disposed of offsite per CDPHE rules and regulations.

COA 38 - The moisture content of any freshwater drill cuttings in a cuttings trench or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, if freshwater drill cuttings are to remain/disposed of onsite, they must also meet the applicable standards of table 910-1.

COA 25 - If the wells are to be hydraulically stimulated, flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permit has been submitted/approved) 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 constructed to be sufficiently impervious to contain any spilled or released material.

Material Handling and Spill Prevention: The following conditions of approval (COAs) will apply to the Form 2A Permit if any temporary surface or buried permanent pipelines (poly or steel) are used during operations at the well pad location or nearby well pads:

COA 45 - Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service any temporary surface or permanent buried pipelines and following any reconfiguration of the pipeline network.

COGCC would appreciate your concurrence with attaching these COAs to the Form 2A permit prior to passing the OGLA review. If you have any questions, please do not hesitate to call me at [\(970\) 309-2514](tel:9703092514) (cell), or email. Thanks.

Dave

David A. Kubeczko, PG
Oil and Gas Location Assessment Specialist
Western Colorado



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