

Surety ID: 20140095

Pit No. 1 Facility ID: 439235

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02533898



State of Colorado Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 601, Denver, Colorado 80203 (303) 894-2100 Fax: (303) 894-2109



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MAR 23 2015

COGCC

Surety ID: 20140095

CENTRALIZED E&P WASTE MANAGEMENT FACILITY PERMIT

Submit this Form and accompanying documents for each facility per Rule 908. Financial Assurance in the amount of \$50,000 is required to operate each facility.

Complete the Attachment Checklist

OGCC Operator Number: 10150 Name of Operator: Black Hills Exploration & Production Address: 1515 Wynkoop St., Suite 500 City: Denver State: CO Zip: 80202		Contact Name and Telephone: Jessica Donahue No: 720-210-1333 Fax: 303-566-3344		<table border="1"> <thead> <tr> <th></th> <th>Oper</th> <th>OGCC</th> </tr> </thead> <tbody> <tr><td>Site description (topo, geol, hydro)</td><td>✓</td><td></td></tr> <tr><td>Adjacent land use description</td><td>✓</td><td></td></tr> <tr><td>Topographic map</td><td>✓</td><td></td></tr> <tr><td>Site drainage map with structures</td><td>✓</td><td></td></tr> <tr><td>Scaled drawing and survey map</td><td>✓</td><td></td></tr> <tr><td>Facility design & engineering</td><td>✓</td><td></td></tr> <tr><td>Operating plan</td><td>✓</td><td></td></tr> <tr><td>Water analysis report</td><td>✓</td><td></td></tr> <tr><td>Financial assurance</td><td>✓</td><td></td></tr> <tr><td>Closure plan</td><td>✓</td><td></td></tr> <tr><td>Local gov't zoning compliance</td><td>✓</td><td></td></tr> <tr><td>Local gov't permits and notice</td><td>✓</td><td></td></tr> </tbody> </table>		Oper	OGCC	Site description (topo, geol, hydro)	✓		Adjacent land use description	✓		Topographic map	✓		Site drainage map with structures	✓		Scaled drawing and survey map	✓		Facility design & engineering	✓		Operating plan	✓		Water analysis report	✓		Financial assurance	✓		Closure plan	✓		Local gov't zoning compliance	✓		Local gov't permits and notice	✓	
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Surface Owner (if different than above): Address: City: State: Zip: Phone:		Facility Name: De Beque Water Station Address: City: State: Zip: Phone: Fax:																																									
Location (Qtr, Sec, Twp, Rng, Mer): SESW Sec 29, T8S, R97W Latitude: 39.32377 N Longitude: 108.24253 W																																											

1. Is the site in a sensitive area? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	2. What are the average annual precipitation and evaporation rates for the site? Precipitation: 12.82 inches/year Evaporation: 78.24 inches/year
3. Has a description of the site's general topography, geology and hydrology been attached? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	
4. Has a description of the adjacent land use been attached? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	5. Has a 1:24,000 topographic map showing the site location been attached? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N
6. Has a site plan showing drainage patterns, diversion or containment structures, roads, fencing, tanks, pits, buildings and any other pertinent construction details been attached? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	
7. If site is not owned by the operator, is written authorization of the surface owner attached? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	8. Has a scaled drawing and survey showing the entire section(s) containing the proposed facility been attached? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N
9. What measures have been implemented to limit access to the facility by wildlife, domestic animals or by members of the public? Briefly explain. <u>The site entire site will be fenced to limit access for people and animals. The ponds will have a floating cover to limit access for birds.</u>	
10. Is there a planned firelane of at least 10 feet in width around the active treatment areas and within the perimeter fence? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	11. Is there an additional buffer zone of at least 10 feet within the perimeter firelane? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N
12. Have surface water diversion structures been constructed to accommodate a 100-year, 24-hour event? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	13. Has a waste profile been calculated according to Rule 908.b.6? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N
14. Has facility design and engineering been provided as required by Rule 908.b.7? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	15. Has an operating plan been completed as required by Rule 908.b.8? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N
16. Has ground water monitoring for the site been provided? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N ***Attach Water Analysis Report, Form 25, for each monitoring well installed.***	
17. Has financial assurance been provided as required by Rule 704? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	18. Has a closure plan been provided? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N
19. Have local government requirements for zoning and construction been complied with? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N	20. Have permits and notifications required by local governments and other agencies been provided? <input checked="" type="checkbox"/> Y <input type="checkbox"/> N

Print Name: Jessica Donahue

Signed: J. Donahue Title: Regulatory Technician Date: 3/18/15OGCC Approved: [Signature] Title: Env. Sup. Date: 7/13/15

CONDITIONS OF APPROVAL, IF ANY:

See Attached MOAs.

Facility Number: 441234

Document Number: 2533898

Form 28 Permit

Facility ID: 441234

Pit Facility ID: 439235

Location ID: 438984

Black Hills Exploration and Production, De Beque Water Station, SESW Section 29, T8S, R97W, 6th PM, Mesa County, Colorado, Form 28 Conditions of Approval (COAs)

8/22
4/13/15

FINANCIAL ASSURANCE COAs:

A Financial Assurance of \$2.0 M has been provided (Surety ID: 20140095), covering closure, remediation, and reclamation of Facility ID: 441234. The COGCC is having a third party review the closure of the facility and prepare an independent closure cost estimate. Based on the third party review, if there is a short fall of the \$2.0 M, the Operator shall provide additional financial assurance prior to fluids entering the two additional proposed Pit Facility's and their first use.

Financial assurance, based on re-evaluated cost of reclamation, closure and abandonment estimate, will be reviewed at five (5) year intervals over the life of the Facility; however, the COGCC reserves the right to review the financial assurance for adequacy on a more frequent basis.

GENERAL SITE COAs:

Sampling of monitoring wells and surface water features shall be conducted prior to introduction of fluids into the Impoundments Facility. Water will be analyzed for the constituents provided in Rule 609.e. Sampling shall continue on an annual basis or more frequently if there is fluid accumulation in the leak detection system.

Groundwater levels in monitoring well and/or total depths of monitoring wells shall be measured monthly for at least one year to determine if groundwater is present and to determine seasonal groundwater level variations. If fluids are detected in the monitoring wells, samples shall be obtained and analyzed for the constituents provided in Rule 609.e.

Within 14-days after the completion of each Pit, submit as-constructed drawings of the De Beque Water Station Facility, including: cross sections of the Pits and a certification on the volumes and Freeboard by a Colorado Registered Professional Engineer. This shall be submitted via eForm 15 as a Pit Facility Report.

Provide pipeline testing results as part of the annual report submittal.

Within 45-days of the Form 28 approval, submit a GIS map with information in a suitable format showing the location of flowlines, type of pipe used in each segment, monitor points, valve locations, booster pump locations (if any) from the Homer Deep Unit, Winter Flats Unit and Horseshoe Canyon Unit, along with digital GIS shape files.

Provide and update as part of the annual report.