

Dave Kubeczko - DNR

From: Dave Kubeczko - DNR
Sent: Friday, June 14, 2013 10:25 AM
To: dave.kubeczko@state.co.us
Subject: FW: Axia Energy, Bulldog 22-41V-890 Pad, Lot 1 (NWNW) Sec 23 T8N R90W, Moffat County, Form 2A (#400417464) Review

Categories: Operator Correspondence

Scan No 2106644 CORRESPONDENCE 2A#400417464

From: Jess Peonio [mailto:jpeonio@axiaenergy.com]
Sent: Tuesday, June 04, 2013 7:00 AM
To: Dave Kubeczko - DNR; lspermitco@aol.com
Subject: RE: Axia Energy, Bulldog 22-41V-890 Pad, Lot 1 (NWNW) Sec 23 T8N R90W, Moffat County, Form 2A (#400417464) Review

Axia concurs with the below COA's.

Jess A. Peonio

Sr. Drilling Engineer/Regulatory Manager

Axia Energy

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From: Dave Kubeczko - DNR [mailto:dave.kubeczko@state.co.us]
Sent: Monday, June 03, 2013 5:48 PM
To: lspermitco@aol.com
Cc: Jess Peonio
Subject: Axia Energy, Bulldog 22-41V-890 Pad, Lot 1 (NWNW) Sec 23 T8N R90W, Moffat County, Form 2A (#400417464) Review

Lisa,

I have been reviewing the Bulldog 22-41V-890 Pad **Form 2A** (#400417464). COGCC would like to 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.

Construction (Section 6): The box answering the question will salt (>15,000 ppm TDS Cl) or oil based muds (OBM) be used? has been marked **Yes**; therefore the following condition of approval (COA) will apply:

COA 11 - A closed loop system must be implemented during drilling (which operator has indicated on the Form 2A). All cuttings generated during drilling with oil based muds or high chloride/TDS mud must be kept in a lined cuttings trench, or placed either in containers, or on a lined/bermed portion of the well pad; prior to offsite disposal. 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.

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

COA 91 - Notify the COGCC 48 hours prior to start of pad/access road construction, rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

COA 23 - Operator must ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) contained at well site during drilling and completion operations (as shown in the Proposed BMPs attachment); 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.

COA 5 - Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via buried or temporary surface pipelines.

COA 38 - The moisture content of any freshwater generated drill cuttings in a cuttings trench, area, 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 freshwater generated drill cuttings are to be onsite, they must also meet the applicable standards of table 910-1.

COA 25 - 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 Permitted 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 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.

COA 58 - Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.

Groundwater Baseline Sampling:

COA 9 - Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.

Surface Pipeline COAs: The following conditions of approval (COAs) will apply to the Form 2A if surface pipelines are used:

COA 45 - Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service.

COA 48 - Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.

COA 49 - Operator must routinely inspect the entire length of the surface pipeline to ensure integrity.

COA 54 - Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all stream, intermittent stream, ditch, and drainage crossings.

COA 55 - Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.

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 (cell), or email. Thanks.

Dave

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

Colorado Oil & Gas Conservation Commission
Northwest Area Office

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