

FORM
2A

Rev
04/01

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400400681

Date Received:

06/24/2013

Oil and Gas Location Assessment

☒ New Location ☐ Amend Existing Location Location#: _____

Submit original plus one copy. This form is to be submitted to the COGCC prior to any ground disturbance activity associated with oil and gas development operations. This Assessment may be approved as a standalone application or submitted as an informational report accompanying an Application for Permit-To-Drill, Form 2. Approval of this Assessment will allow for the construction of the below specified location; however, it does not supersede any land use rules applied by the local land use authority. This form may serve as notice to land owners and other interested parties, please see the COGCC web site at <http://colorado.gov/cogcc/> for all accompanying information pertinent to this Oil and Gas Location Assessment.

Location ID:

434186

Expiration Date:

09/12/2016

☒ This location assessment is included as part of a permit application.

1. CONSULTATION

- ☐ This location is included in a Comprehensive Drilling Plan. CDP # _____
- ☒ This location is in a sensitive wildlife habitat area.
- ☐ This location is in a wildlife restricted surface occupancy area.
- ☐ This location includes a Rule 306.d.(1)A.ii. variance request.

2. Operator

Operator Number: 10335

Name: AXIA ENERGY LLC

Address: 1430 LARIMER STREET #400

City: DENVER State: CO Zip: 80202

3. Contact Information

Name: Lisa Smith

Phone: (303) 857-9999

Fax: (303) 450-9200

email: lspermitco@aol.com

4. Location Identification:

Name: Bulldog Number: 10-24V-890

County: MOFFAT

QuarterQuarter: LOT 2 Section: 15 Township: 8N Range: 90W Meridian: 6 Ground Elevation: 6526

Define a single point as a location reference for the facility location. This point should be used as the point of measurement in the drawings to be submitted with this application. When the location is to be used as a well site then the point shall be a well location.

Footage at surface: 60 feet FNL, from North or South section line, and 2058 feet FWL, from East or West section line.

Latitude: 40.658686 Longitude: -107.479833 PDOP Reading: 1.4 Date of Measurement: 03/28/2013

Instrument Operator's Name: Bart Hunting

5. Facilities (Indicate the number of each type of oil and gas facility planned on location):

Special Purpose Pits: <input type="text" value="1"/>	Drilling Pits: <input type="text" value="1"/>	Wells: <input type="text" value="5"/>	Production Pits: <input type="text"/>	Dehydrator Units: <input type="text" value="1"/>
Condensate Tanks: <input type="text" value="5"/>	Water Tanks: <input type="text" value="3"/>	Separators: <input type="text" value="1"/>	Electric Motors: <input type="text"/>	Multi-Well Pits: <input type="text"/>
Gas or Diesel Motors: <input type="text"/>	Cavity Pumps: <input type="text"/>	LACT Unit: <input type="text"/>	Pump Jacks: <input type="text"/>	Pigging Station: <input type="text"/>
Electric Generators: <input type="text"/>	Gas Pipeline: <input type="text" value="1"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text" value="1"/>	Flare: <input type="text" value="1"/>
Gas Compressors: <input type="text" value="1"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text"/>	Fuel Tanks: <input type="text"/>	

Other: _____

6. Construction:

Date planned to commence construction: 08/01/2013 Size of disturbed area during construction in acres: 15.90
 Estimated date that interim reclamation will begin: 08/01/2014 Size of location after interim reclamation in acres: 1.40
 Estimated post-construction ground elevation: 6523 Will a closed loop system be used for drilling fluids: Yes ☒
 Will salt sections be encountered during drilling: Yes ☐ No ☒ Is H2S anticipated? Yes ☐ No ☒
 Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes ☒ No ☐
 Mud disposal: Offsite ☒ Onsite ☐ Method: Land Farming ☐ Land Spreading ☐ Disposal Facility ☒
 Other: _____

7. Surface Owner:

Name: _____ Phone: _____
 Address: _____ Fax: _____
 Address: _____ Email: _____
 City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 04/04/2013
 Surface Owner: ☐ Fee ☒ State ☐ Federal ☐ Indian
 Mineral Owner: ☐ Fee ☒ State ☐ Federal ☐ Indian
 The surface owner is: ☒ the mineral owner ☒ committed to an oil and gas lease
 ☒ is the executer of the oil and gas lease ☐ the applicant
 The right to construct the location is granted by: ☒ oil and gas lease ☐ Surface Use Agreement ☐ Right of Way
 ☐ applicant is owner
 Surface damage assurance if no agreement is in place: ☐ \$2000 ☐ \$5000 ☐ Blanket Surety ID _____

8. Reclamation Financial Assurance:

☐ Well Surety ID: 20100083 ☐ Gas Facility Surety ID: _____ ☐ Waste Mgmt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes ☐ No ☒
 Distance, in feet, to nearest building: 3164, public road: 3658, above ground utility: 3574,
 railroad: 48048, property line: 1915

10. Current Land Use (Check all that apply):

Crop Land: ☐ Irrigated ☐ Dry land ☐ Improved Pasture ☐ Hay Meadow ☐ CRP
 Non-Crop Land: ☒ Rangeland ☐ Timber ☐ Recreational ☐ Other (describe): _____
 Subdivided: ☐ Industrial ☐ Commercial ☐ Residential

11. Future Land Use (Check all that apply):

Crop Land: ☐ Irrigated ☐ Dry land ☐ Improved Pasture ☐ Hay Meadow ☐ CRP
 Non-Crop Land: ☒ Rangeland ☐ Timber ☐ Recreational ☐ Other (describe): _____
 Subdivided: ☐ Industrial ☐ Commercial ☐ Residential

12. Soils:

List all soil map units that occur within the proposed location. Attach the National Resource Conservation Service (NRCS) report showing the "Map Unit Description" report listing the soil typical vertical profile. This data is to be used when segregating topsoil.

The required information can be obtained from the NRCS web site at <http://soildatamart.nrcs.usda.gov/> or from the COGCC web site GIS Online map page found at <http://colorado.gov/cogcc>. Instructions are provided within the COGCC web site help section.

NRCS Map Unit Name: 82. Forelle-Pinelli-Maysprings Complex, 5 to 20 percent slopes.

NRCS Map Unit Name: _____
NRCS Map Unit Name: _____

13. Plant Community:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes ☐ No ☒
Plant species from: ☐ NRCS or, ☒ field observation Date of observation: 02/12/2013
List individual species: _____

Check all plant communities that exist in the disturbed area.

- ☐ Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
☒ Native Grassland (Bluestem, Grama, Wheatgrass, Buffalograss, Fescue, Oatgrass, Brome)
☒ Shrub Land (Mahogany, Oak, Sage, Serviceberry, Chokecherry)
☐ Plains Riparian (Cottonwood, Willow, Aspen, Maple, Poplar, Russian Olive, Tamarisk)
☐ Mountain Riparian (Cottonwood, Willow, Blue Spruce)
☐ Forest Land (Spruce, Fir, Ponderosa Pine, Lodgepole Pine, Juniper, Pinyon, Aspen)
☐ Wetlands Aquatic (Bullrush, Sedge, Cattail, Arrowhead)
☐ Alpine (above timberline)
☐ Other (describe): _____

14. Water Resources:

Rule 901.e. may require a sensitive area determination be performed. If this determination is performed the data is to be submitted with the Form 2A.

Is this a sensitive area: ☐ No ☒ Yes Was a Rule 901.e. Sensitive Areas Determination performed: ☐ No ☒ Yes
Distance (in feet) to nearest surface water: 468, water well: 2862, depth to ground water: 30
Is the location in a riparian area: ☒ No ☐ Yes Was an Army Corps of Engineers Section 404 permit filed ☒ No ☐ Yes
Is the location within a Rule 317B Surface Water Supply Area buffer zone:
☒ No ☐ 0-300 ft. zone ☐ 301-500 ft. zone ☐ 501-2640 ft. zone

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified: ☐ No ☐ Yes

15. Comments:

Fresh water cuttings will be buried onsite. A \$25,000 statewide reclamation bond has been filed with the Colorado State Land Board.

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

Signed: _____ Date: 06/24/2013 Email: lspermitco@aol.com

Print Name: Lisa Smith - PermitCo Inc Title: Authorized Agent for Axia

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved.

COGCC Approved: Matthew Lee Director of COGCC Date: 9/13/2013

**CONDITIONS OF
APPROVAL, IF ANY:**

All representations, stipulations and conditions of approval stated in this Form 2A for this location shall constitute representations, stipulations and conditions of approval for any and all subsequent operations on the location unless this Form 2A is modified by Sundry Notice, Form 4 or an Amended Form 2A.

<u>COA Type</u>	<u>Description</u>
	<p>GROUNDWATER BASELINE SAMPLING COA:</p> <p>Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.</p>
	<p>PIPELINE COAs:</p> <p>Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service.</p> <p>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.</p> <p>Operator must routinely inspect the entire length of the surface pipeline to ensure integrity.</p> <p>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.</p> <p>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.</p>

GENERAL SITE COAs:

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.

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).

Operator must ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) 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.

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

The access road will be constructed as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.

Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

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.

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.

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.

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2106685	CORRESPONDENCE
2106701	PROPOSED BMPs
400400681	FORM 2A SUBMITTED
400434479	ACCESS ROAD MAP
400434480	CONST. LAYOUT DRAWINGS
400434481	HYDROLOGY MAP
400434483	CONST. LAYOUT DRAWINGS
400434485	LOCATION PICTURES
400434487	REFERENCE AREA MAP
400434489	REFERENCE AREA PICTURES
400434490	NRCS MAP UNIT DESC
400438136	30 DAY NOTICE LETTER

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Off hold - APD questions resolved Application is acceptable to State Land Board, per Tim Kelly	9/13/2013 6:54:52 AM
Permit	Notified State Land Board	9/9/2013 3:58:22 PM
Final Review	ON HOLD - associated APD has several issues to resolve	3/4/2013 9:34:17 AM

DOW	<p>Wildlife concerns: The proposed pad location is within Mule Deer Critical Winter Range, and in an area with significant numbers of migrating big game. CPW's Ranching for Wildlife program is also active in the area, and the State Land Board Parcel hosts youth hunters starting in December.</p> <p>Based on the above wildlife concerns, CPW recommends the following BMPs:</p> <ol style="list-style-type: none"> 1.Where oil and gas activities must occur in mule deer critical winter range, conduct these activities outside the time period from December 1 through April 15. 2.Restrict post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15, to accommodate Mule Deer Critical Winter Range. 3.Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads. Slow speeds and increased awareness among employees and contractors traveling to and from the site should help to reduce impacts. 4.Gate single purpose roads and restrict general public access to reduce traffic disruptions to wildlife. 5.Close and immediately reclaim all roads that are redundant, not used regularly, or have been abandoned to the maximum extent possible to minimize disturbance and habitat fragmentation. 6.Include a weed management plan and implement the plan as part of reclamation. 7.Avoid aggressive non-native grasses and shrubs in mule deer habitat restoration. 8.Reclaim mule deer habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed. 9.Restore appropriate sagebrush species or subspecies on disturbed sagebrush sites. Use locally collected seed for reseeding where possible. 10. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1. <p>The location is also within greater sage-grouse production area, about 4 miles from an active greater sage-grouse lek, but given topography and existing infrastructure, CPW does not have serious concerns for greater sage-grouse impacts from this development.</p>	<p>7/22/2013 10:25:07 AM</p>
OGLA	<p>Initiated/Completed OGLA Form 2A review on 06-26-13 by Dave Kubeczko; requested acknowledgement of notification, fluid containment, spill/release BMPs, closed loop, cuttings containment, cuttings moisture content, tank berming, flowback to tanks, and pipeline COAs from operator on 06-26-13; received acknowledgement of COAs from operator on 07-01-13; onsite conducted by COGCC on 05-30-13; passed by CPW on 07-22-13 with operator agreed to BMPs acceptable; changed distance to surface water to 468'; passed OGLA Form 2A review on 07-25-13 by Dave Kubeczko; notification, fluid containment, spill/release BMPs, closed loop, cuttings containment, cuttings moisture content, tank berming, flowback to tanks, and pipeline COAs.</p>	<p>6/26/2013 7:08:29 PM</p>
Permit	<p>Form passes completeness.</p>	<p>6/25/2013 8:25:55 AM</p>

Total: 6 comment(s)

Best Management Practices

No	BMP/COA Type	Description
1	Wildlife	<p>1. Where oil and gas activities must occur in mule deer critical winter range, conduct these activities outside the time period from December 1 through April 15.</p> <p>2. Restrict post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. from December 1 to April 15, to accommodate Mule Deer Critical Winter Range.</p> <p>3. Establish company guidelines to minimize wildlife mortality from vehicle collisions on roads.</p> <p>Slow speeds and increased awareness among employees and contractors traveling to and from the site should help to reduce impacts.</p> <p>4. Gate single purpose roads and restrict general public access to reduce traffic disruptions to wildlife.</p> <p>5. Close and immediately reclaim all roads that are redundant, not used regularly, or have been abandoned to the maximum extent possible to minimize disturbance and habitat fragmentation.</p> <p>6. Include a weed management plan and implement the plan as part of reclamation.</p> <p>7. Avoid aggressive non-native grasses and shrubs in mule deer habitat restoration.</p> <p>8. Reclaim mule deer habitats with native shrubs, grasses, and forbs appropriate to the ecological site disturbed.</p> <p>9. Restore appropriate sagebrush species or subspecies on disturbed sagebrush sites. Use locally collected seed for reseeding where possible.</p> <p>10. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.</p>

Total: 1 comment(s)