

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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Document Number:

400111757

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 stand alone 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:

421047

Expiration Date:

12/30/2013
☐ 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: Jeff Stoddart

Phone: (970) 263-7800

Fax: (970) 263-7456

email: jstoddart@oaconsulting.com

4. Location Identification:

Name: Compressor and Water Handling Facil Number: _____

County: MESA

Quarter: SWSE Section: 23 Township: 9S Range: 95W Meridian: 6 Ground Elevation: 6470

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: 100 feet FSL, from North or South section line, and 1500 feet FEL, from East or West section line.

Latitude: 39.255464 Longitude: -107.956971 PDOP Reading: 2.5 Date of Measurement: 11/09/2010

Instrument Operator's Name: Jeff Stoddart

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

Special Purpose Pits: <input type="text"/>	Drilling Pits: <input type="text"/>	Wells: <input type="text"/>	Production Pits: <input type="text"/>	Dehydrator Units: <input type="text"/>
Condensate Tanks: <input type="text"/>	Water Tanks: <input type="text"/>	Separators: <input type="text"/>	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"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text"/>	Flare: <input type="text"/>
Gas Compressors: <input type="text"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text"/>	Fuel Tanks: <input type="text"/>	

Other: _____

6. Construction:

Date planned to commence construction: 03/01/2011 Size of disturbed area during construction in acres: 4.00
Estimated date that interim reclamation will begin: 03/15/2011 Size of location after interim reclamation in acres: 4.00
Estimated post-construction ground elevation: 6344 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: _____
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: _____ ☐ Gas Facility Surety ID: _____ ☐ Waste Mgnt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes ☐ No ☒
Distance, in feet, to nearest building: 870, public road: 208, above ground utilit: 63
, railroad: 75557, property line: 30

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): Oil and Gas Operations
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 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: 23 - Clapper very stony loam, 25 to 65 percent slopes

NRCS Map Unit Name: 58 - Peninsula loam, 3 to 9 percent slopes

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: _____

List individual species: Galleta, Gambel oak, Mountain big sagebrush, Mountain snowberry, True mountain mahogany, Wyoming big sagebrush, Saskatoon serviceberry

Check all plant communities that exist in the disturbed area.

- ☐ Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
☐ Native Grassland (Bluestern, 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: 80, water well: 1200, depth to ground water: 80

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:

This location is within Black Bear Habitat and is subject to Rule 1204a1. Bear proof dumpsters and trash receptacles will be installed and utilized for all food related trash.

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

Signed: _____ Date: 11/29/2010 Email: jstoddart@oaconsulting.com

Print Name: Jeff Stoddart Title: Assistant Scientist

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

Daniel S. Neslin

COGCC Approved: _____

Director of COGCC

Date: 12/31/2010

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.

The completion/flowback fluids multi-well pit must be fenced. If the completion/flowback pit is not closed (either drained and/or backfilled) immediately after natural gas development activities, then operator must appropriately net the completion/flowback pit, in a timely manner, and maintain the fencing and netting until the pit is closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels.

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.

At the time of pit closure, operator must submit disposal information via a Form 4 Sundry Notice to Dave Kubeczko. The disposal method will need to be approved prior to operator starting pit closure. In addition, operator will collect a pit water sample and, at a minimum, analyze for the following parameters: pH; alkalinity; specific conductance; major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); BTEX/DRO; TPH; PAH's (including benzo[a]pyrene); and metals (arsenic, barium, calcium, chromium, iron, magnesium, selenium). At the time of closure/disposal of pit water, COGCC may require additional analytes, as appropriate.

Notify COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us; phone 970-309-2514) 48 hours prior to start of construction.

All tanks and aboveground vessels containing fluids must have secondary containment structures. All secondary containment structures/areas must be lined. Operator must ensure 150 percent secondary containment for the largest structure containing fluids within each bermed area the facility during operations. The construction and lining of the secondary containment structures/areas shall be supervised by a professional engineer or their agent.

Location is in a sensitive area because of its proximity to surface water; therefore, operator must ensure 110 percent secondary containment for any volume of fluids contained at the water handling facility site during natural gas development activities and 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 shall implement reasonable noise reduction equipment on compressors and other production equipment or add sound barriers to limit noise levels at property boundaries.

The completion/flowback fluids multi-well pit must be double-lined. The pit will also require a leak detection system (Rule 904.e).

Operator must submit a professional engineer (PE) approved/stamped as-built drawing (plan view and cross-sections) of the completion/flowback pit within 14 calendar days of construction.

The location is in an area of high run off/run-on potential; therefore the pad shall be constructed to prevent any stormwater run-on and/or stormwater runoff. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff.

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

Flowback and stimulation fluids must be sent to tanks to allow the sand to settle out before the fluids can be placed into any pipeline or pit located on the facility pad. The flowback and stimulation fluid tanks must be placed on the 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 (per Rule 604.a.(4)).

No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

Attachment Check List

Att Doc Num	Name
2033537	OTHER
2033549	CORRESPONDENCE
400111757	FORM 2A SUBMITTED
400111766	LOCATION PICTURES
400111767	LOCATION DRAWING
400111768	HYDROLOGY MAP
400111769	ACCESS ROAD MAP
400111770	REFERENCE AREA MAP
400111771	REFERENCE AREA PICTURES
400111773	SENSITIVE AREA MAP
400111776	NRCS MAP UNIT DESC
400111815	OTHER

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
OGLA	Initiated/Completed OGLA Form 2A review on 12-14-10 by Dave Kubeczko; requested acknowledgement of fluid containment, spill/release BMPs, double-lined pit, lined secondary containment, noise reduction, flowback to tanks, no pit in fill, access road sediment control, fencing/netting of pit COAs from operator on 12-14-10; received acknowledgement of COAs from operator on 12-22-10; no CDOW; passed OGLA Form 2A review on 12-29-10 by Dave Kubeczko; fluid containment, spill/release BMPs, double-lined pit, lined secondary containment, noise reduction, flowback to tanks, no pit in fill, access road sediment control, fencing/netting of pit COAs.	12/14/2010 10:27:53 AM

Total: 1 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)