

FORM 2A Rev 04/01

State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



Table with 4 columns: DE, ET, OE, ES

Document Number: 400160753

Oil and Gas Location Assessment

New Location Amend Existing Location Location#: 333532

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.

Location ID: 333532 Expiration Date: 07/04/2014

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: 100264 Name: XTO ENERGY INC Address: 382 CR 3100 City: AZTEC State: NM Zip: 87410

3. Contact Information

Name: Kelly Kardos Phone: (505) 333-3145 Fax: (505) 213-0546 email: kelly_kardos@xtoenergy.com

4. Location Identification:

Name: R&G Number: 26-3 County: LA PLATA Quarter: NWSE Section: 26 Township: 33N Range: 7W Meridian: N Ground Elevation: 6506
Footage at surface: 1600 feet FSL, from North or South section line, and 1442 feet FEL, from East or West section line.
Latitude: 37.072170 Longitude: -107.573830 PDOP Reading: 6.0 Date of Measurement: 11/24/2009
Instrument Operator's Name: RANDY RUSSELL

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

Special Purpose Pits: 0 Drilling Pits: 0 Wells: 3 Production Pits: 0 Dehydrator Units: 0
Condensate Tanks: 0 Water Tanks: 2 Separators: 3 Electric Motors: 2 Multi-Well Pits: 0
Gas or Diesel Motors: 0 Cavity Pumps: 0 LACT Unit: 0 Pump Jacks: 2 Pigging Station: 0
Electric Generators: 0 Gas Pipeline: 3 Oil Pipeline: 0 Water Pipeline: 3 Flare: 0
Gas Compressors: 0 VOC Combustor: 0 Oil Tanks: 0 Fuel Tanks: 0
Other: Gas/and or diesel motors will be used for drilling

6. Construction:

Date planned to commence construction: 06/30/2011 Size of disturbed area during construction in acres: 1.22
Estimated date that interim reclamation will begin: 07/30/2011 Size of location after interim reclamation in acres: 1.22
Estimated post-construction ground elevation: 6506 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: CLOSED LOOP MUD SYSTEM

7. Surface Owner:

Name: _____ Phone: _____
Address: _____ Fax: _____
Address: _____ Email: _____
City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 03/09/2011
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: 20100210 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: 810, public road: 1125, above ground utilit: 5280
, railroad: 10560, property line: 286

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): Agricultural
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): Agricultural
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.

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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: 76. WITT LOAM, 3 TO 8% 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: _____

List individual species: Sagebrush, Western Wheatgrass

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): Grazing

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: 1225, water well: 435, depth to ground water: 50

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 Suppl 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:

Proposed well will be drilled from the existing R&G 26-2 & Tiffany #1 well pad. The Tiffany #1 is operated by Williams. Surface owner waived consultation/notification requirements.

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

Signed: _____ Date: 05/02/2011 Email: kelly_kardos@xtoenergy.com

Print Name: KELLY KARDOS Title: SR. PERMITTING TECH

IMPORTANT: SOME DATA FIELDS HAVE BEEN MODIFIED.

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: _____

David S. Nesline

Director of COGCC

Date: 7/5/2011

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.

GENERAL SITE COAs:

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

Reserve pit, or any other pit used to contain/hold fluids, if constructed, must be lined or a closed loop system (which operator has indicated on the Form 2A – Section 6. Construction) must be implemented during drilling.

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.

The moisture content of any drill cuttings in a cuttings pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.

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.

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 well pad. The flowback and stimulation fluid tanks 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 (per Rule 604.a.(4)).

Berms or other containment devices shall be constructed in compliance with Rule 604.a.(4) around crude oil, condensate, and produced water storage tanks.

Attachment Check List

Att Doc Num	Name
1792181	MULTI-WELL PLAN
2033834	CORRESPONDENCE
400160753	FORM 2A SUBMITTED
400160782	PROPOSED BMPs
400160784	HYDROLOGY MAP B, AERIAL
400160785	HYDROLOGY MAP
400160786	CONST. LAYOUT DRAWINGS
400160787	LOCATION PICTURES
400160788	SURFACE AGRMT/SURETY
400160789	REFERENCE AREA MAP
400160790	REFERENCE AREA PICTURES
400160791	ACCESS ROAD MAP
400160792	LOCATION DRAWING

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Requested a multi-well plan, emailed Kelly Kardos. BY	6/7/2011 6:21:58 AM
OGLA	Initiated/Completed OGLA Form 2A review on 05-10-11 by Dave Kubeczko; requested clarifications and acknowledgement of fluid containment, spill/release BMPs, flowback to tanks, tank berming, lined pit/closed loop, and cuttings low moisture content COAs from operator on 05-10-11; received clarifications and acknowledgement of COAs from operator on 05-?-11; passed by CDOW on 05-09-11 with operator submitted BMPs (with permit application) acceptable; passed OGLA Form 2A review on 05-24-11 by Dave Kubeczko; fluid containment, spill/release BMPs, flowback to tanks, tank berming, lined pit/closed loop, and cuttings low moisture content COAs.	5/10/2011 12:10:25 PM
DOW	DOW onsited this location with the Operator on 4/29/11. BMP are sufficient to address wildlife concerns at this time.	5/9/2011 2:20:20 PM

Total: 3 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Construction	<p>Certificate to Discharge Under CDPS General Permit No. COR-03000 Stormwater Discharges Associated with Construction Certification No. COR03C483. A Field Wide Stormwater Management Plan (SWMP) for the La Plata Infill Program is on file at the XTO Energy Inc. office. A Site Specific SWMP with a Site Plan will be developed for each location. Inspections of the project site and maintenance of BMP's installed shall be conducted in accordance with the CDPHE CDPS permit & field wide plan. Spill Prevention and Counter Measures (SPCC) for the La Plata Infill Program is on file at the XTO Energy Inc. office. The Field SWMP and Site Specific SWMP each address SPCC during construction operations. See attached diagram for site specific BMP's.</p>
Wildlife	<p>The R&G #26-3 will be drilled from the existing R&G #26-2 well pad to reduce surface disturbance impacts. Reduces area necessary for well pad construction. Utilize existing infrastructure for operations.</p> <p>A closed-loop mud system will be used during drilling operations.</p> <p>Surface equipment that could be potentially damaging to wildlife appropriate fencing Prevents wildlife entry to potentially harmful equipment.</p> <p>The access road will be gated in order to restrict general public access.</p> <p>Construction, drilling and completion activities will be scheduled to avoid critical winter use periods for deer and elk December 1 - April 15.</p> <p>Recycle drilling fluids. Mud systems are dewatered, recycled and water is reused during drilling operations, reducing the amount of water needed to be trucked for drilling operations. Mud can be transported to next drilling location, reducing truck traffic to dispose of drilling fluids.</p> <p>Adhere to the developed weed management plan pursuant to both the La Plata County Land Use Code and Colorado Noxious Weed Act. Protects the productivity of adjacent wildlife habitats.</p> <p>Screen exhaust and vent stacks to preclude avian perching.</p> <p>Standard wildlife friendly seed mixes developed by the CDOW specifically for the San Juan Basin will be used for reclamation.</p> <p>Educate employees and contractors on wildlife conservation practices, including no harassment or feeding of wildlife.</p> <p>Forbid use of firearms and dogs on location.</p> <p>Utilize bear proof dumpsters and trash receptacles for food related trash at all facilities that generate such trash.</p>

Total: 2 comment(s)