DOCUMENT #2224740

FORM 4 Rev 12/05

State of Colorado
Oil and Gas Conservation Commission

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

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Received 5/21/2012 Rifle COGCC

SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry Information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 603b.)

1. OGCC Operator Number: 10335
2. Name of Operator: Axia Energy, LLC
3. Address: 1430 Laramer Street, Suite 400
   City: Denver, State: CO Zip 80202
4. Contact Name: Taryn Frenzel
   Phone: 720-746-5213
   Fax: 720-746-5201

5. API Number NA — OGCC Facility ID Number 421047
6. Well/Facility Name: Water Handling Facility — 7. Well/Facility Number NA
8. Location SWSE Section 23-T9S-R95W
9. County: Mesa — 10. Field Name: Kimball Creek
11. Federal, Indian or State Lease Number:

Complete the Attachment Checklist

	OP	OGCC
Survey Plat		
Directional Survey		
Surface Eqpmt Diagram		
Technical Info Page	X	
Other:	X	

General Notice

☐ **CHANGE OF LOCATION:** **Attach New Survey Plat** (a change of surface qtr/qtr is substantive and requires a new permit)

		FNL/FSL		FEL/FWL
Change of **Surface** Footage **from** Exterior Section Lines:				
Change of **Surface** Footage **to** Exterior Section Lines:				
Change of **Bottomhole** Footage **from** Exterior Section Lines:				
Change of **Bottomhole** Footage **to** Exterior Section Lines:				

attach directional survey

Bottomhole location Qtr/Qtr, Sec, Twp, Rng, Mer

Latitude — Distance to nearest property line — Distance to nearest bldg, public rd, utility or RR

Longitude — Distance to nearest lease line — Is location in a High Density Area (rule 603b)? Yes/No

Ground Elevation — Distance to nearest well same formation — Surface owner consultation date:

GPS DATA:
Date of Measurement — PDOP Reading — Instrument Operator's Name

☐ **CHANGE SPACING UNIT**

Formation	Formation Code	Spacing order number	Unit Acreage	Unit configuration

☐ **Remove from surface bond**
Signed surface use agreement attached

☐ **CHANGE OF OPERATOR (prior to drilling):**
Effective Date:
Plugging Bond: ☐ Blanket ☐ Individual

☐ **CHANGE WELL NAME** **NUMBER**
From:
To:
Effective Date:

☐ **ABANDONED LOCATION:**
Was location ever built? ☐ Yes ☐ No
Is site ready for Inspection? ☐ Yes ☐ No
Date Ready for Inspection:

☐ **NOTICE OF CONTINUED SHUT IN STATUS**
Date well shut in or temporarily abandoned:
Has Production Equipment been removed from site? ☐ Yes ☐ No
MIT required if shut in longer than two years. Date of last MIT

☐ **SPUD DATE:**

☐ **REQUEST FOR CONFIDENTIAL STATUS** (6 mos from date casing set)

☐ **SUBSEQUENT REPORT OF STAGE, SQUEEZE OR REMEDIAL CEMENT WORK** *submit cbl and cement job summaries

Method used	Cementing tool setting/perf depth	Cement volume	Cement top	Cement bottom	Date

☐ **RECLAMATION:** Attach technical page describing final reclamation procedures per Rule 1004.
Final reclamation will commence on approximately ☐ Final reclamation is completed and site is ready for inspection.

Technical Engineering/Environmental Notice

☐ Notice of Intent
Approximate Start Date:

☐ Report of Work Done
Date Work Completed:

Details of work must be described in full on Technical Information Page (Page 2 must be submitted.)

☐ Intent to Recomplete (submit form 2)	☐ Request to Vent or Flare	☐ E&P Waste Disposal
☐ Change Drilling Plans	☐ Repair Well	☐ Beneficial Reuse of E&P Waste
☐ Gross Interval Changed?	☐ Rule 502 variance requested	☐ Status Update/Change of Remediation Plans for Spills and Releases
☐ Casing/Cementing Program Change	☒ Other: Water transfer/re-use agrmnt	

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

Signed: Date: 05/17/12 Email: tfrenzel@axiaenergy.com

Print Name: Taryn Frenzel Title: Sr. Completion Engineer

COGCC Approved: Linda Spry O'Rourke Title: Digitally signed by Linda Spry O'Rourke DN: cn=Linda Spry O'Rourke, o=Co. Oil & Gas Conservation Commission, ou=EPS-Northwest Region, email=linda.spryorourk@state.co.us, c=US Date: 2012.05.22 16:06:04 -06'00' Date: 5/22/2012

CONDITIONS OF APPROVAL, IF ANY:

See conditions of approval (COA)on page 2 of this sundry.

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TECHNICAL INFORMATION PAGE

FOR OGCC USE ONLY

Received 5/21/2012 Rifle COGCC

1. OGCC Operator Number: 10335 API Number: NA
2. Name of Operator: Axia Energy, LLC OGCC Facility ID # 421047
3. Well/Facility Name: Water Handling Facility Well/Facility Number: NA
4. Location SESE Section 23 T9S-R95W Mesa County, CO

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

5. **DESCRIBE PROPOSED OR COMPLETED OPERATIONS**

The attached documents are submitted for your review/approval for the produced/flow back water transfer between Axia and EnCana. The sundry request is specificially for the transfer of produced/flow back water from Water Handling Facility ID 421047 located in Mesa County, CO to EnCana's staging point, specifically the Standard Shale 6401 pad (Location ID: 323905). Water will be used for fraccing at EnCana's Kimball Mtn B07 799 pad (Location ID: 383216) and KM C08 799 (Location ID: 423633). All facilities are located in Garfield County, CO.
The produced/flow back water will be tranfered using water trucks.

The following documents are provided for your review:

- Transfer Operator Water Transfer and Reuse Plan

Notes -
Sundry attachments include:
Appendix A water Custody Transfer Agreement.Axia.signed.5.17.12.pdf
Axia Water Analysis.pdf
Prod Water Reuse Waste Min Plan.Axia.Signed.5.17.12.pdf
.
Previous communications reported that Axia's Water Handling Facility (ID 421047) generates approximately 1100 bbls/day of non-tributary produced and flow back water from drilling and completion operations in the Buzzard Field (Well APIs 05-077-10137, 05-077-10124, 05-077-10120, and 05-077-10119) which could be used in this water transfer.
COAs:
1. If locations are in a sensitive area because of its proximity to surface water, Operator must ensure 110% 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.
2. Operator must implement Best Management Practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines.
3. Operator shall provide overflow protection for each tank proposed, if tanks are used.
4. Operator proposes that the transfer facilities/locations will be in operation for a period less than three (3) years. Should the operation of this facility continue more than three years, a form 28 shall be submitted and approved before the three-year anniversary date of the first use of the transfer facility/location.
5. Approval of this plan is contingent upon analytical laboratory results for representative samples of Axia's produced water from Water Handling Facility ID 421047. Analytical suite shall include all testing methods described on pages 5-6 of this Produced Water Reuse Waste Minimization Plan. Operator shall reference the remediation number assigned to this Waste Transfer Agreement and submit analytical data within 60 days from Sundry approval date.
6. Termination of activities: both Axia and Encana shall notify the COGCC via Sundry Form 4 immediately upon termination of activities.