

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:

400274343

Date Received:

04/25/2012

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:

429116

Expiration Date:

05/30/2015

☐ 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: 20-12H-892

County: MOFFAT

QuarterQuarter: SWNW Section: 20 Township: 8N Range: 92W Meridian: 6 Ground Elevation: 6845

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: 1641 feet FNL, from North or South section line, and 712 feet FWL, from East or West section line.

Latitude: 40.632925 Longitude: -107.750883 PDOP Reading: 1.3 Date of Measurement: 03/15/2012

Instrument Operator's Name: Glenn McElroy

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" value="1"/>	Wells: <input type="text" value="1"/>	Production Pits: <input type="text"/>	Dehydrator Units: <input type="text"/>
Condensate Tanks: <input type="text"/>	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"/>
Gas Compressors: <input type="text"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text" value="5"/>	Fuel Tanks: <input type="text"/>	

Other: _____

6. Construction:

Date planned to commence construction: 06/15/2012 Size of disturbed area during construction in acres: 10.13
Estimated date that interim reclamation will begin: 06/01/2013 Size of location after interim reclamation in acres: 1.40
Estimated post-construction ground elevation: 6841 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: 04/13/2012
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 Mgnt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes ☐ No ☒
Distance, in feet, to nearest building: 5280, public road: 5280, above ground utilit: 5280
, railroad: 5280, property line: 321

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: 163: Rock River Sandy Loam 12-25%

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: 03/15/2012
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: 767, water well: 4664, depth to ground water: 100
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:

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

Signed: _____ Date: 04/25/2012 Email: lspermitco@aol.com
Print Name: Lisa Smith Title: Authorized Agent

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:  Director of COGCC Date: 5/31/2012

**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.

Before placing oil/salt based muds in a pit, operator must file and receive prior approval of a Pit Permit, Form 15. COGCC regulations regarding pit permits can be found in Rule 903.a.(3). PIT PERMITTING/REPORTING REQUIREMENTS.

SITE SPECIFIC COAs:

A closed loop system must be implemented during drilling (which operator has indicated on the Form 2A); or, if a drilling pit is constructed, it must be lined. All cuttings generated during drilling with oil based muds or high chloride/TDS mud must be kept in the lined drilling pit, 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 pit, trench, or pile shall be as low as practicable to prevent accumulation of liquids greater than de minimis amounts.

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.

The location is in an area of moderate to 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.

The moisture content of any freshwater generated 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, if the freshwater generated drill cuttings are to be onsite, they must also meet the applicable standards of table 910-1.

Any pit constructed to hold oil based muds or salt based fluids and/or cuttings must be lined.

For pits containing fluids other than freshwater only; the pit must be fenced. If the pit is not drained, or closure has not begun within 30 days after last use for well completion, the pit must be netted. The operator must maintain the fencing and netting until the pit is closed.

Pits used exclusively for drilling shall be closed in accordance with the 1000-Series Rules. Any pit(s) used for purposes other than drilling shall be closed in accordance with Rule 905. Closure of Pits, and Buried or Partially Buried Produced Water Vessels; with an approved Site Investigation and Remediation Workplan, Form 27.

Notify COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) and the COGCC Field Inspection Supervisor for Northwest Colorado (Shaun Kellerby; email shaun.kellerby@state.co.us) 48 hours prior to start of construction of the well pad, start of construction of the pit (if different), pit liner installation, and start of fracing operations (via Form 42).

Attachment Check List

Att Doc Num	Name
1533105	SURFACE AGRMT/SURETY
1533118	SURFACE AGRMT/SURETY
2034337	PROPOSED BMPs
2034338	CORRESPONDENCE
400274343	FORM 2A SUBMITTED
400276761	ACCESS ROAD MAP
400276764	HYDROLOGY MAP
400276765	LOCATION PICTURES
400276770	REFERENCE AREA MAP
400276771	REFERENCE AREA PICTURES
400276773	NRCS MAP UNIT DESC
400276857	LOCATION DRAWING
400276858	CONST. LAYOUT DRAWINGS

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Off Hold--attached vol. pooling declaration map for horizontal wellbore. LGD/pub. comments waived. Final Review--passed.	5/29/2012 10:49:31 AM
Permit	Confirmed w/ Hearings Office that spacing & pooling application for this location has been withdrawn for 5/29/2012 hearing. Now a voluntary pooling drilling unit. Attached SUA Memo emailed by oper. Removed surface bond. .	5/18/2012 10:26:44 AM
Permit	Spacing and pooling application for May hearing, UP 142 & SP 53. Distance to nearest prop. line is 321' based on attached loc. drawing.	5/1/2012 9:44:16 AM
OGLA	Initiated/Completed OGLA Form 2A review on 04-30-12 by Dave Kubeczko; requested acknowledgement of fluid containment, spill/release BMPs, moisture content/containment cuttings, lined pit/closed loop, no pit in fill, sediment control, stormwater BMPs, Form 15, pit fencing/netting, and flowback to tanks COAs from operator on 04-30-12; received acknowledgement of COAs from operator on 05-?-12; changed distance to SW to 767'; location was onsite 04-13-12; passed by CPW on 04-26-12 with elk recommendations acceptable; passed OGLA Form 2A review on 05-17-12 by Dave Kubeczko; fluid containment, spill/release BMPs, moisture content/containment cuttings, lined pit/closed loop, no pit in fill, sediment control, stormwater BMPs, Form 15, pit fencing/netting, and flowback to tanks COAs.	4/30/2012 12:27:01 PM
DOW	The operator has agreed to the following BMPs for the Bulldog 20-12H-892 well: 1)Conduct oil and gas development activities outside the time period from December 1 through April 15 to minimize disturbance to Elk in their winter concentration area. 2)Restrict post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in elk winter range. 3)Establish company guidelines (policies) to minimize wildlife mortality from vehicle collisions on roads (post speed limits on private roads, conduct safety training, etc). 4)Gate single-purpose roads and restrict general public access to reduce traffic disruptions to wildlife if applicable on private roads. 5)Fence and net pits to exclude wildlife, with wildlife appropriate fencing and netting materials. 6)Muffle sound from compressors, pump jacks or other motors necessary to run operations at the site.(If mufflers are used, point upward to dissipate sound and vibration.) 7)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. 8)Reclaim site (interim and final) to match existing vegetation. Jacob Davidson, 4-26-2012, 16:25	4/26/2012 4:26:47 PM
Permit	Operator corrected surface and minerals information. This form has passed completeness.	4/26/2012 6:20:12 AM
Permit	Returned to draft at operators request.	4/25/2012 2:56:11 PM
Permit	Returned to draft. Invalid surface and minerals information.	4/25/2012 2:25:31 PM

Total: 8 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Wildlife	<p>1)Conduct oil and gas development activities outside the time period from December 1 through April 15 to minimize disturbance to Elk in their winter concentration area.</p> <p>2)Restrict post-development well site visitations to between the hours of 10:00 a.m. and 3:00 p.m. and reduce well site visitations between December 1 and April 15 in elk winter range.</p> <p>3)Establish company guidelines (policies) to minimize wildlife mortality from vehicle collisions on roads (post speed limits on private roads, conduct safety training, etc).</p> <p>4)Gate single-purpose roads and restrict general public access to reduce traffic disruptions to wildlife if applicable on private roads.</p> <p>5)Fence and net pits to exclude wildlife, with wildlife appropriate fencing and netting materials.</p> <p>6)Muffle sound from compressors, pump jacks or other motors necessary to run operations at the site.(If mufflers are used, point upward to dissipate sound and vibration.)</p> <p>7)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>8)Reclaim site (interim and final) to match existing vegetation.</p>

Total: 1 comment(s)