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

Oil and Gas Location Assessment

Document Number: 400375720

Date Received: 02/04/2013

☐ New Location ☒ Amend Existing Location Location#: 335926

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: **335926**

Expiration Date: **03/13/2016**

☒ 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: 10286

Name: WPX ENERGY RYAN GULCH LLC

Address: 1001 17TH STREET #1200

City: DENVER State: CO Zip: 80202

3. Contact Information

Name: Howard Harris

Phone: (303) 606-4086

Fax: (303) 629-8268

email: Howard.Harris@wpxenergy.com

4. Location Identification:

Name: Federal Number: RGU 22-27-198

County: RIO BLANCO

QuarterQuarter: LOT 6 Section: 27 Township: 1S Range: 98W Meridian: 6 Ground Elevation: 6560

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: 2145 feet FNL , from North or South section line, and 2137 feet FWL , from East or West section line.

Latitude: 39.936025 Longitude: -108.379960 PDOP Reading: 2.1 Date of Measurement: 12/18/2012

Instrument Operator's Name: J. Kirkpatrick

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

Special Purpose Pits:		Drilling Pits:		Wells:	7	Production Pits:		Dehydrator Units:	
Condensate Tanks:	2	Water Tanks:	4	Separators:	7	Electric Motors:		Multi-Well Pits:	
Gas or Diesel Motors:		Cavity Pumps:		LACT Unit:		Pump Jacks:		Pigging Station:	
Electric Generators:		Gas Pipeline:		Oil Pipeline		Water Pipeline:		Flare:	
Gas Compressors:				VOC Combustor:	1	Oil Tanks:		Fuel Tanks:	

Other: i - Low Pressure Unit

6. Construction:

Date planned to commence construction: 04/01/2013 Size of disturbed area during construction in acres: 5.59

Estimated date that interim reclamation will begin: 06/01/2014 Size of location after interim reclamation in acres: 1.52

Estimated post-construction ground elevation: 6560 Will a closed loop system be used for drilling fluids: Yes [X]

Will salt sections be encountered during drilling: Yes [ ] No [X] Is H2S anticipated? Yes [ ] No [X]

Will salt (>15,000 ppm TDS Cl) or oil based muds be used: Yes [ ] No [X]

Mud disposal: Offsite [ ] Onsite [X] Method: Land Farming [ ] Land Spreading [ ] Disposal Facility [ ]

Other: Re-use, Evap & backfill

7. Surface Owner:

Name: _____ Phone: _____

Address: _____ Fax: _____

Address: _____ Email: _____

City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: _____

Surface Owner: [ ] Fee [ ] State [X] Federal [ ] Indian

Mineral Owner: [ ] Fee [ ] State [X] Federal [ ] Indian

The surface owner is: [X] the mineral owner [X] committed to an oil and gas lease [X] is the executer of the oil and gas lease [ ] the applicant

The right to construct the location is granted by: [X] 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 [X]

Distance, in feet, to nearest building: 5520 , public road: 6300 , above ground utility: 331 , railroad: 124500 , property line: 6930

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

Crop Land: [ ] Irrigated [ ] Dry land [ ] Improved Pasture [ ] Hay Meadow [ ] CRP

Non-Crop Land: [X] Rangeland [ ] Timber [ ] Recreational [X] Other (describe): Existing Well Pad

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: [X] 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 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: 75. Rentsac - Piceance Complex, 2 to 30 percent slopes

NRCS Map Unit Name: 73. Rentsac Channery Loam, 5 to 50 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: 12/13/2012

List individual species: Grama, Wheatgrass, Sage, Juniper, Pinion

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: 970 , water well: 5025 , depth to ground water: 487

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:

This Location Assessment is for the RGU 22-27-198 well pad which is an existing well pad from which four well are to be drilled. There are currently three existing wells on the pad. The location reference point for this pad is the RGU 23-27-198 well from which all measurements were taken. Reference photos will be provided at a later date. A closed mud system will be used. Both minerals and surface are owned by the United States Government. See attached plats etc., for additional detail.

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

Signed: Date: 02/04/2013 Email: howard.harris@wpxenergy.com

Print Name: Howard Harris Title: Sr. Regulatory Specialist

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: 3/14/2013

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.

SITE SPECIFIC COAs:

Notify the COGCC 48 hours prior to start of pad 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 implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface pipelines

Operator must ensure 110 percent secondary containment for any volume of fluids (excluding freshwater) contained at well site during drilling and completion operations (as shown on the Contruction Layout Drawings attachment); 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 c.uttings 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 drill cuttings are to remain/disposed of 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

Att Doc Num	Name
2106524	CORRESPONDENCE
400375720	FORM 2A SUBMITTED
400377790	ACCESS ROAD MAP
400377791	CONST. LAYOUT DRAWINGS
400377792	HYDROLOGY MAP
400377793	LOCATION DRAWING
400377794	LOCATION PICTURES
400377795	MULTI-WELL PLAN
400377796	NRCS MAP UNIT DESC
400377797	PROPOSED BMPs
400377798	REFERENCE AREA MAP
400377799	SENSITIVE AREA DATA

Total Attach: 12 Files

General Comments

User Group	Comment	Comment Date
Permit	No LGD or public comments. Final Review--passed.	3/13/2013 7:31:51 AM
OGLA	Initiated/Completed OGLA Form 2A review on 03-06-11 by Dave Kubeczko; placed fluid containment, spill/release BMPs, flowback to tanks only, tank berming, and cuttings low moisture content COAs; no CPW; passed OGLA Form 2A review on 03-12-13 by Dave Kubeczko; fluid containment, spill/release BMPs, flowback to tanks only, tank berming, and cuttings low moisture content COAs.	3/6/2013 3:17:20 PM
Permit	Prop. line distance is 6930' (BLM surface to NW).	2/15/2013 2:56:23 PM
Permit	Checked "executor".	2/8/2013 7:53:13 AM
Permit	Corrected qtr/qtr. This form has passed completeness.	2/5/2013 8:52:46 AM

Total: 5 comment(s)

BMP

Type	Comment
Final Reclamation	* Remove well pad and road surface materials that are incompatible with post-production land use and re-vegetation requirements * Use only certified weed-free native seed in seed mixes, except for non-native plants that benefit wildlife * WPX Energy will use certified, weed free grass hay, straw, hay or other mulch materials used for the reseeding and reclamation of disturbed areas. * Install exclusionary devices to prevent bird and other wildlife access to equipment stacks, vents and openings. * Reduce visits to well-sites through remote monitoring (i.e. SCADA) and the use of multi-function contractors. * Avoid dust suppression activities within 300 feet of the ordinary high water mark of any reservoir, lake, wetland, or natural perennial or seasonally flowing stream or river where possible.
Planning	* Share/consolidate corridors for pipeline ROWs to the maximum extent possible. * Maximize the utility of surface facilities by developing multiple wells from a single pad (directional drilling), and by co-locating multipurpose facilities (for example, well pads and compressors) to avoid unnecessary habitat fragmentation and disturbance of additional geographic areas. * Minimize newly planned activities and operations within 300 feet of the ordinary high water mark of any reservoir, lake, wetland, or natural perennial or seasonally flowing stream or river. * Locate roads outside of drainages where possible and outside of riparian habitat. * Avoid constructing any road segment in the channel of an intermittent or perennial stream * Avoid new surface disturbance and placing new facilities in key wildlife habitats in consultation with CDOW. * Use existing roads where possible * Combine and share roads to minimize habitat fragmentation * Where possible, consolidate pipeline and existing roadways, or roadways that are planned for development * Place roads to avoid obstructions to migratory routes for wildlife, and to avoid displacement of wildlife from public to private lands. * Maximize the use of directional drilling to minimize habitat loss/fragmentation * Maximize use of remote telemetry for well monitoring to minimize traffic
Drilling/Completion Operations	* Install and maintain adequate measures to exclude all types of wildlife (e.g., big game, birds, and small rodents) from all fluid pits (e.g., fencing, netting, and other appropriate exclusion measures). * Conduct well completions with drilling operations to limit the number of rig moves and traffic.
Construction	Construct retention basins and ponds that benefit wildlife

Total: 4 comment(s)