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**CLX ENERGY, INC.**  
**Blue Gravel 3-23**  
**660' FSL & 1,980' FWL (SE/4 SW/4)**  
**Sec. 23, T9N-R91W**  
**Moffat County, Colorado**  
**Federal Lease #C-17366**



**SURFACE USE PLAN**

**WELL LOCATION AND INTRODUCTION:**

The proposed surface location is 660' FSL & 1,980' FWL of Section 23. The wellsite was surveyed and staked on March 18, 2000 by Robert Jack Smith & Associates at a surface location that was topographically, geologically and legally acceptable. An archaeological survey has been conducted by Metcalf Archaeology. An on-site meeting was held on November 8, 2000, attending were: Fred Conrath, BLM-Craig, W. C. Davis, Agent for CLX Energy, Inc. and the landowner, Mr. Dean Visintainer.

*The Little Snake Resource Area Manager will be notified 24 hours prior to commencing construction of the drillsite and 24 hours prior to commencing reclamation work.*

**DIRECTIONS TO LOCATION**

From Craig, Colorado, travel north 13 miles on Highway 13, turn left (south) at Blue Gravel Creek Road, ½ mile, then turn right (north and west) 3-1/4 miles, then left (west) ¾ mile to location.

**1) EXISTING ROADS**

- A) The well is a development well.
- B) Existing roads go to the location.
- C) Plans for improvement and/or maintenance of existing roads are to maintain in as good or better conditions than at present.

**2) PLANNED ACCESS ROADS – Some upgrading construction required on approximately ¼ mile of existing road. That section will be re-routed and upgraded to the landowner's specifications.**

**3) LOCATION OF EXISTING WELLS (Within a one-mile radius)**

Drilling	None			
Abandoned	Three	SE/4	Sec. 26	T9N-R91W
		NW/4	Sec. 26	T9N-R91W
		NW/4	Sec. 23,	T9N-R91W
Proposed	None			
Disposal/Injection	None			
Shut-in	None			
Producing	Seven	SE/4	Sec. 23	T9N-R91W
		NE/4	Sec. 23	T9N-R91W
		SW/4	Sec. 24	T9N-R91W (2 wells)
		NW/4	Sec. 25	T9N-R91W
		NE/4	Sec. 26	T9N-R91W (2 wells)

**4) LOCATION OF EXISTING PRODUCING FACILITIES**

Compressor Station in SE/4 Sec. 23, T9N-R91W, and production well facilities (tanks, separators, etc.) for each of the seven producing wells listed above.

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#### NEW PRODUCTION FACILITIES PROPOSED

- A) Facilities to be constructed on location will be submitted by Sundry Notice upon well completion.
- B) Dimension of Proposed Facility is 300' x 150'.
- C) Site preparation for production will be done with standard excavation equipment using native materials. Additional surface material will be obtained from commercial sources or an approved borrow area.
- D) Production equipment will be painted light reflective colors to limit evaporation and waste of liquid hydrocarbons.  
All above ground permanent structures including production equipment will be painted to blend with the surrounding landscape. The color specified is given with the Munsell Color Reference Number, Desert Brown (10YR 6/3).
- E) Production facilities may vary according to actual reservoir discovered and will be engineered upon completion of well tests.  
If well is a producer, all production facilities will be authorized by Sundry Notice.
- F) All pits will be fenced on all sides.
- G) No facilities will be constructed off location.
- H) Rehabilitation of unneeded, previously disturbed areas will consist of backfilling and contouring the reserve pit area, back sloping and contouring all cut and fill slopes. These areas will be re-seeded. Refer to plans for restoration of surface for additional details.
- I) Pits which contain oil will be overhead flagged.
- J) A dike shall be constructed around the tank battery, of sufficient capacity to contain at least 110 percent of the storage capacity of the largest tank within the dike.

#### 5) LOCATION OF WATER SUPPLY

Water diversion point to be determined by landowner. Probable location will be Blue Gravel Creek near its intersection with Highway No. 13.

#### 6) SOURCE OF CONSTRUCTION MATERIALS

- A) Construction materials will consist of native materials from borrow ditches and location areas.
- B) Surfacing materials will be obtained from available permitted sources, if needed, and consist of pit gravel.

#### 7) WASTE DISPOSAL

- A) Drill cuttings will be buried in reserve pit.
- B) Drilling fluid will be evaporated then buried in the reserve pit when dry.
- C) Produced fluid will be contained in test tanks during completion and testing.
- D) Sewage disposal facilities will be in accordance with State and Local regulations.  
Sewage may not be buried on location or put in a borehole.
- E) Garbage and other waste – burnable waste will be contained in a portable trash cage which will be totally enclosed with small mesh wire. Cage and contents will be transported to and trash dumped at a D.E.Q. approved Sanitary Landfill upon completion of operations.
- F) Trash will be picked up if scattered and contained in trash cage as soon as practical after rig is moved off.



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- G) Reserve pit will be fenced, "stock tight" on three sides during drilling operations, and on fourth side at time of rig release. Pit will remain fenced until backfilled. Fencing to be woven wire with two strands of barbed wire.
- H) Upon release of the drilling rig, rathole, mousehole and sewage holes will be filled. Debris and excess equipment will be removed.

#### 8) ANCILLARY FACILITIES

No ancillary facilities will be necessary.

#### 9) WELLSITE LAYOUT

- A) See attached drillsite plat and cut/fill diagram
- B) Reserve pit will be unlined. If permeable material is encountered in the reserve pit, the BLM and surface owner will be contacted during construction and a pit liner 12 mil or thicker will be installed.
- C) Backslopes to be 1:1 or shallower.
- D) There will be no flare pit.

#### 10) SURFACE RESTORATION (In Chronological Order)

- A) Topsoil will be removed prior to location construction from all disturbed areas. Topsoil depth to be removed as stipulated by BLM. Topsoil Depth 6", or as available. Topsoil to be piled as shown on Location Plat. Brush to be cleared and stockpiled separately from topsoil.
- B) The rehabilitation will begin after the drilling rig is removed. Removal of oil or other adverse substances will begin immediately or area will be flagged and fenced. Other cleanup will be done as needed. Planing and revegetation is considered best in Fall, unless requested otherwise.
- C) Backfilling, leveling and contouring are planned as soon as all pits have dried. Waste and spoils materials will be buried immediately after drilling is completed. If production is obtained, the unused area will be restored as soon as possible.
- D) The soil banked material will be spread over the area. Revegetation will be accomplished by planting mixed grasses as per formula by surface landowner. Revegetation is recommended for road area as well as around drill pad.
- E) A proposed seed mixture for this location will be provided by the landowner to consist of native species plus sandfain and to include noxious weed control as allowable under law.
- F) During reclamation of the site, push the fill material into cuts and up over the backslope. Leave no depressions that will trap water or form ponds. Distribute topsoil evenly over the location, and seed according to the above seed mixture. The access road and location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- G) Prepare seedbed by disking or ripping following the natural contour. Drill seed on contour at a depth no greater than 1/2 inch. In areas that cannot be drilled, broadcast at double the seeding rate and harrow seed into soil. Certified seed is recommended.

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11) GENERAL INFORMATION

- A) Project area is situated in the undulated uplands 200 yards north of an unnamed dry gully tributary of Blue Gravel Creek.
- B) Topographic and geologic features – well drained, sand and silt deposition, surrounded by rock outcrops with highly eroded drainages.
- C) Soil characteristics – sand and silt.
- D) Flora consists of Prickly Pear, Prairie Junegrass, Western Wheatgrass, Blue Bunch Wheatgrass, Sagebrush, Wild Onion, and Lupine.
- E) Fauna – none observed, assume deer, elk, coyotes, rabbits, raptors, and rodents.
- F) Concurrent surface use – grazing and hunting.
- G) Mineral Lessor – Bureau of Land Management.
- H) Surface Owner
  - Drillsite - Visintainer Sheep Company  
c/o Mr. Gregory Hoskin  
Hoskin, Farina, Aldrich & Kampf  
200 Grand Avenue, Suite 400  
Grand Junction, CO 81502
  - Access - Visintainer Sheep Company  
(Contact same as above)  
Phone: (970) 824-6061
- I) Proximity of water, occupied dwellings or other features – Blue Gravel Creek (Intermittent Drainage) – 1-1/2 miles south of location; no occupied dwellings.
- J) Archaeological, cultural and historical information to be contained in a report sent under separate cover by Metcalf Archaeology.
- K) If any fossils are discovered during construction, the operator shall cease construction immediately and notify the Authorized Officer so as to determine the significance of the discovery.
- L) Annual or noxious weeds shall be controlled on all disturbed areas as directed by the Visintainer Sheep Company. Method of control shall be by an approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide.
- M) A Class III (100% pedestrian) cultural resource inventory shall be completed prior to disturbance by a qualified professional archaeologist in the area of the well location. A report of the inventory will be submitted and approved by the BLM with stipulations as appropriate in order to comply with EO 11593 and Section 106 of the National Historic Preservation Act of 1966.



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- N) The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the Authorized Officer (AO). Within five working days the AO will inform the operator as to:
- whether the materials appear eligible for the National Register of Historic places;
  - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in-site preservation is not necessary); and,
  - a timeframe for the AO to complete an expedited review under 36 CFR 800-111 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

12) LESSEE'S OR OPERATOR'S REPRESENTATIVE:

Operator

CLX Energy, Inc.  
518-17<sup>th</sup> Street, Suite 745  
Denver, CO 80202  
303-825-7080  
Ed Henderson, President  
W. C. (Bill) Davis, Petroleum Engineer

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## 13) CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access road; that I am familiar with the conditions which presently exist; that the statements made in this plan area, to the best of my knowledge, are true and correct; and that the work associated with the operations proposed herein will be performed by CLX Energy, Inc. and its contractors and sub-contractors in conformity with this plan and conditions under which it is approved.

6/15/01  
(Date)

CLX ENERGY, INC.

By: \_\_\_\_\_  
W. C. Davis, Petroleum Engineer

Lease No.: C-17366Well: Blue Gravel 3-23

I certify that CLX Energy, Inc. has reached an agreement with Visitainer Sheep Company as to the requirements for the protection of surface resources and reclamation of disturbed areas and/or damages in lieu thereof. If an agreement has not been reached, CLX Energy, Inc. will comply with the provisions of the law or regulations governing the Federal or Indian right of reentry to the surface (43 CFR 3814).

6/15/01  
(Date)

Operator Representative

W. C. Davis  
Agent for CLX Energy, Inc.