

FORM
2A

Rev
04/18

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:

401725805

Date Received:

08/10/2018

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: 450157

This Oil and Gas Location Assessment is to be submitted to the COGCC for approval prior to any ground disturbance activity associated with oil and gas operations. Approval of this Oil and Gas Location 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. Please see the COGCC website at <http://cogcc.state.co.us/> for all accompanying information pertinent this Oil and Gas Location Assessment.

Location ID:

450157

Expiration Date:

10/31/2021

This location assessment is included as part of a permit application.

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.

Operator

Operator Number: 10646
Name: AXIS EXPLORATION LLC
Address: 370 17TH ST SUITE 5300
City: DENVER State: CO Zip: 80202

Contact Information

Name: Kelsi Welch
Phone: (720) 354-4607
Fax: ()
email: kwelch@extractionog.com

FINANCIAL ASSURANCE

- Plugging and Abandonment Bond Surety ID (Rule 706): 20160140 Gas Facility Surety ID (Rule 711): _____
- Waste Management Surety ID (Rule 704): _____

LOCATION IDENTIFICATION

Name: DIBC Number: 18
County: ADAMS
Quarter: NWNE Section: 18 Township: 3S Range: 65W Meridian: 6 Ground Elevation: 5480
Define a single point as a location reference for the facility location. When the location is to be used as a well site then the point shall be a well location.
Footage at surface: 1272 feet FNL from North or South section line
1742 feet FEL from East or West section line
Latitude: 39.794846 Longitude: -104.703088
PDOP Reading: 1.5 Date of Measurement: 07/25/2018
Instrument Operator's Name: R. Christi

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE Drilling Fluids Disposal Method: Commercial Disposal

Cutting Disposal: OFFSITE Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: _____ or Document Number: _____

Centralized E&P Waste Management Facility ID, if applicable: _____

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: DIBC Cargo LLC

Phone: _____

Address: 1125 17th Street, Suite 2500

Fax: _____

Address: _____

Email: _____

City: Denver State: CO Zip: 80202

Surface Owner: Fee State Federal Indian

Check all that apply. The Surface Owner: is the mineral owner

is committed to an oil and Gas Lease

has signed the Oil and Gas Lease

is the applicant

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed from or produced to this Oil and Gas Location: Yes

The right to construct this Oil and Gas Location is granted by: oil and gas lease

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

Date of Rule 306 surface owner consultation 06/01/2018

CURRENT AND FUTURE LAND USE

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

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

CULTURAL DISTANCE INFORMATION

Provide the distance to the nearest cultural feature as measured from Wells or Production Facilities onsite.

	From WELL	From PRODUCTION FACILITY
Building:	5280 Feet	5280 Feet
Building Unit:	5280 Feet	5280 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	1110 Feet	1000 Feet
Above Ground Utility:	5280 Feet	5280 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	1076 Feet	967 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of nearest Well or edge of nearest Production Facility to nearest of each cultural feature as described in Rule 303.b.(3)A.
 - Enter 5280 for distance greater than 1 mile.
 - Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
 - Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.
 - For measurement purposes only, Production Facilities should only include those items with an asterisk(*) on the Facilities Tab.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a:

- Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit.
 - Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
 - Urban Mitigation Area - as defined in 100-Series Rules.
 - Large UMA Facility - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: _____

FOR MULTI-WELL PADS AND PRODUCTION FACILITIES WITHIN DESIGNATED SETBACK LOCATIONS ONLY:

- Check this box if this Oil and Gas Location has or will have Production Facilities that serve multiple wells (on or offsite) and the Production Facilities are proposed to be located less than 1,000 feet from a Building Unit. *(Pursuant to Rule 604.c.(2)E.i., the operator must evaluate alternative locations for the Production Facilities that are farther from the Building Unit, and determine whether those alternative locations were technically feasible and economically practicable for the same proposed development.)*
- By checking this box, I certify that no alternative placements for the Production Facilities, farther from the nearest Building Unit, were available based on the analysis conducted pursuant to Rule 604.c.(2)E.i.

In the space below, explain rationale for siting the multi-well Production Facility(ies) that supports your Rule 604.c.(2)E.i determination. Attach documentation that supports your determination to this Form 2A.

SOIL

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.org/> 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: PIC—Platner loam, 3 to 5 percent slopes
 NRCS Map Unit Name: PIB—Platner loam, 0 to 3 percent slopes
 NRCS Map Unit Name: WuE—Wiley-Adena-Renohill complex, 3 to 20 percent slopes

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: 07/25/2018

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):

WATER RESOURCES

Is this a sensitive area: No Yes

Distance to nearest

downgradient surface water feature: 25 Feet

water well: 1490 Feet

Estimated depth to ground water at Oil and Gas Location 28 Feet

Basis for depth to groundwater and sensitive area determination:

Sensitive area determination: Nearest downgradient water feature: Unnamed tributary, 25' NW
 Nearest water well measured from the edge of disturbance: 1490' SW; Receipt #0252814A.
 Basis for depth to groundwater: Nearest water well with recorded depth.

Is the location in a riparian area: No Yes

Was an Army Corps of Engineers Section 404 permit filed No Yes If yes attach permit.

Is the location within a Rule 317B Surface Water Supply Area buffer zone: No

If the location is within a Rule 317B Surface Water Supply Area buffer have all public water supply systems within 15 miles been notified:

Is the Location within a Floodplain? No Yes Floodplain Data Sources Reviewed (check all that apply)

Federal (FEMA)

State

County

Local

Other

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 609

WILDLIFE

- This location is included in a Wildlife Mitigation Plan
- This location was subject to a pre-consultation meeting with CPW held on _____

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

- Rule 604.a.(1)A. Exception Zone (within 500' of a Building Unit) and is in an Urban Mitigation Area
- Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)
- Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)
- Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)
- Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

RULE 502.b VARIANCE REQUEST

- Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments

Axis Exploration is amending the existing DIBC 3-65 18-13 Pad to add 14 horizontal wells and arrange the location to accommodate the associated production equipment. There are no building units within 1000' of this location, a Facility Layout drawing and Waste Management Plan are not required.

Reference well is the proposed DIBC 18W-20-8 well (doc #401726849).

Operator certifies that the MLVTs will be designed and implemented consistent with the COGCC Policy on the Use of Modular Large Volume Tanks in Colorado. MLVT Design Package, certified and sealed by a licensed professional engineer, is available upon request.

MLVT Information:
 Vendor - Chaparral Enterprises
 Supplier - Hydro Logistics
 Number and Size - 2- 42,000 bbls
 Timeframe on location - approximately 90 days

SUA attached for informational purposes.

Location will be covered under Extraction Oil & Gas's field wide permit, permit number COR03M013.

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

Signed: _____ Date: 08/10/2018 Email: kwelch@extractionog.com

Print Name: Kelsi Welch Title: Regulatory Analyst

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: 11/1/2018

Conditions Of Approval

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.

COA Type		Description
		Operator shall post this Form 2A Oil and Gas Location Assessment at the Location throughout drilling and completions operations.
<u>Best Management Practices</u>		
No	BMP/COA Type	Description
1	Planning	<p>Operator has an MLVT Design Package, certified and sealed by a licensed professional engineer, which is on file in their office and available upon request. The site shall be prepared in accordance with the specifications of the design package prior to tank installation; including ensuring that proper compaction requirements have been met.</p> <p>The MLVT will be at least 75 feet from a wellhead, fired vessel, heater-treater, or a compressor with a rating of 200 horsepower or more. It will be placed at least 50 feet from a separator, well test unit, or other non-fired equipment.</p> <p>All liner seams will be welded and tested in accordance with applicable ASTM International standards.</p> <p>Operator will be present during initial filling of the MLVT and the contractor will supervise and inspect the MLVT for leaks during filling.</p> <p>Operator will comply with the testing and re-inspection requirements and associated written standard operating procedures (SOP) listed on the design package.</p> <p>Signs will be posted on the MLVT indicating that the contents are freshwater.</p> <p>The MLVT will be operated with a minimum of 1 foot of freeboard at all times.</p> <p>Access to the MLVT will be limited to operational personnel and authorized regulatory agency personnel.</p> <p>Operator or contractor will conduct daily visual inspections of the exterior wall and surrounding area for integrity deficiencies.</p> <p>Operator has developed a contingency plan/emergency response plan associated with the MLVT and it is on file at their office.</p> <p>Tanks will be filled using a local water source through temporary waterlines. No water will be trucked to location.</p> <p>A fabric reinforced liner will be utilized. In the event that a tank breach were to occur, the fabric reinforced liner will prevent a "zippering" failure from occurring. The liner will meet the specifications per the design package.</p> <p>Operator acknowledges and will comply with the Colorado Oil & Gas Conservation Commission Policy on the Use of Modular Large Volume Tanks in Colorado dated June 13, 2014.</p>
2	General Housekeeping	Maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed in a timely manner.
3	Storm Water/Erosion Control	Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate flowlines and/or gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s). Typical stormwater BMPs installed include a diversion ditch and berm with sediment traps and installation of wattles where necessary.

4	Dust control	805.c. Operator shall employ practices for control of fugitive dust caused by their operations. Such practices shall include but are not limited to the use of speed restrictions, regular road maintenance, restriction of construction activity during high-wind days, and silica dust controls when handling sand used in hydraulic fracturing operations. Additional management practices such as road surfacing, wind breaks and barriers may be used.
5	Construction	803. Permanent lighting will be installed around the facility to allow both the operator and haulers to conduct safe operations at night. All lights will be directed down toward the location or shielded so no light pollution leaves the facility.
6	Odor mitigation	805. Oil & gas facilities and equipment shall be operated in such a manner that odors do not constitute a nuisance or hazard to public welfare. Operator will utilize advanced oil based mud systems which target the reduction of aromatics.
7	Interim Reclamation	Operator shall be responsible for segregating the topsoil, backfilling, re-compacting, reseeding, and re-contouring the surface of any disturbed area so as not to interfere with Owner's operations and shall reclaim such area to be returned to pre-existing conditions as best as possible with control of all noxious weeds.

Total: 7 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
401725805	FORM 2A SUBMITTED
401726148	NRCS MAP UNIT DESC
401726149	NRCS MAP UNIT DESC
401726151	NRCS MAP UNIT DESC
401727515	ACCESS ROAD MAP
401727518	HYDROLOGY MAP
401727520	LOCATION DRAWING
401727521	LOCATION PICTURES
401727522	MULTI-WELL PLAN
401727523	SURFACE AGRMT/SURETY

Total Attach: 10 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final permitting review Complete. Send to Final Approval.	10/31/2018
OGLA	Removed the Visual BMP placed on the Operator BMP List. Operator is working with the Local Municipality regarding appropriate Visual BMPs. Operator concurrence - 10/31/2018	10/31/2018
Permit	Initial permitting review complete and task passed.	10/04/2018
OGLA	Changed the estimated Depth to Groundwater to 28 feet bgs based on the static water level reported for DWR Water Well Permit #70233. Please add the Visual Mitigation planned for the Location to the BMP. - Awaiting BMP - 10/16/2018 Location lies within proximity to a nearby drainage. Verify that the use of berms will minimize sediment migration into the nearby waterway. - Verified - 10/31/2018 Moved "Location will be covered under Extraction Oil & Gas's field wide permit, permit number COR03M013" to the Submit Tab. Operator concurrence - 10/31/2018	09/21/2018
Permit	Passed Completeness.	08/16/2018

Total: 5 comment(s)