



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Colorado River Valley Field Office
2300 River Frontage Road
Silt, Colorado 81652
(970) 876-9000

In Reply Refer to:
(CON040)
COC66723

May 29, 2014

Certified No. 7013 2630 0000 2732 8424
Return Receipt Requested

Axia Energy, LLC
Attn: Tab McGinley
1430 Larimer Street, Suite #400
Denver, CO 80202

DECISION

Re: Suspension of Operations and Production for Federal Oil and Gas Lease COC66723

Dear Mr. McGinley:

This letter responds to your suspension request in the February 24, 2014 letter. The captioned Lease underlies national forest systems lands managed by the U.S. Forest Service, White River National Forest. The Bureau of Land Management's (BLM) Colorado River Valley Field Office is responsible for managing the subject federal mineral estate. The Lease was issued with an effective date of June 1, 2003, with a ten-year primary term.

The BLM has identified the need to address a National Environmental Policy Act (NEPA) deficiency associated with the decisions to issue the Lease. The BLM is in the process of writing an Environmental Impact Statement (EIS) to address the NEPA deficiency.

Section 39 of the Mineral Leasing Act, as amended, provides for suspension of a Federal oil and gas lease either (1) as a matter of right where, through some act, omission, or delay by a Federal agency, beneficial enjoyment of a lease has been precluded, such as where delays imposed upon the lessee due to administrative actions have the effect of denying the lessee timely access to the property, or (2) as a matter of discretion, in the interest of conservation. No leasehold activities will be authorized until the completion of the EIS and will therefore deny you timely access to the lease, I have decided to grant a suspension of operations and production for the Lease.

This suspension is effective February 1, 2014, the first day of the month in which the request was received. The suspensions of operations and production for the above-referenced leases will be in effect until the authorized officer determines that the suspensions would no longer be in the interest of conservation and/or the EIS is complete and a Record of Decision has been signed regarding the status of the Lease.

Rental payments will be suspended during the period of suspension of operations and production. Axia Energy, LLC may engage in casual use activities during the period of suspension. BLM will not authorize any ground-disturbing activities during the period of suspension.

In accordance with 43 C.F.R. 3165.3, any adversely affected party contesting this decision may request an administrative review of this decision, before the State Director, either with or without oral presentation. This request, including all supporting documentation, shall be submitted in writing within 20 business days of the date this decision was received, or considered to have been received, and shall be sent to: Colorado State Director, 2850 Youngfield Street, Lakewood, Colorado 80215-7076. The decision of the State Director may then be appealed to the

Interior Board of Land Appeals in accordance with 43 C.F.R. 3165.4.

Please contact Steve Ficklin, Program Manager, at (970) 876-9006 with any questions.

Sincerely,


for Steve G. Bennett
Field Office Manager

Cc. BLM Colorado State Office (CO-910)

Attn: Milada Krasilinec
2850 Youngfield Street
Lakewood, CO 80215

Office of Natural Resources Revenue
PO Box 25165
Denver CO 80225-0165

Certified No. 7013 2630 0000 2732 8431
Return Receipt Requested

OXY USA WTP LP
Att: Kimberly Evans
5 Greenway Plaza, Suite 110
Houston, TX 77046