

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80205 Phone: (303) 894-2100 Fax: (303) 894-2109



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Document Number:

400084933

Oil and Gas Location Assessment

☐ New Location
 ☒ Amend Existing Location
 Location#: 324761

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 stand alone 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:

324761

Expiration Date:

09/16/2013
☐ 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: 95245
 Name: WELLSTAR CORPORATION
 Address: 11990 GRANT ST STE 550
 City: NORTHGLENN State: CO Zip: 80233

3. Contact Information

Name: Terry L. Hoffman
 Phone: (303) 250-0619
 Fax: (303) 412-8212
 email: tlhoffman@q.com

4. Location Identification:

Name: Bush Draw Federal Number: 10-2
 County: JACKSON
 Quarter: SENE Section: 10 Township: 8N Range: 78W Meridian: 6 Ground Elevation: 8231
 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: 1870 feet, from North or South section line: FNL and 720 feet, from East or West section line: FEL
 Latitude: 40.680273 Longitude: -106.125389 PDOP Reading: 1.2 Date of Measurement: 04/06/2009
 Instrument Operator's Name: Scott Vernon

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="1"/>	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" value="1"/>	Pigging Station: <input type="text"/>
Electric Generators: <input type="text"/>	Gas Pipeline: <input type="text"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text"/>	Flare: <input type="text" value="1"/>
Gas Compressors: <input type="text"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text" value="2"/>	Fuel Tanks: <input type="text"/>	

Other: _____

6. Construction:

Date planned to commence construction: 09/01/2010 Size of disturbed area during construction in acres: 0.96
Estimated date that interim reclamation will begin: 03/01/2011 Size of location after interim reclamation in acres: 1.57
Estimated post-construction ground elevation: 8231 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: 07/13/2010
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: 20100004 ☐ 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: 845, above ground utilit: 5280
, railroad: 5280, property line: 1900

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: (Ab): Aaberg-Barishman association

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: _____

List individual species: Alkali Sagebrush, Big Sagebrush, Western Wheatgrass, Achnatherum Pinetorum,

Check all plant communities that exist in the disturbed area.

- ☐ Disturbed Grassland (Cactus, Yucca, Cheatgrass, Rye)
☒ Native Grassland (Bluestern, 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: 260, water well: 1960, depth to ground water: 36

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:

2A is being submitted for previously permitted Bush Draw Federal 10-2 (API #057-06476-01, appv'd 12/11/10) due to a change in the drilling plans from vertical to horizontal, resulting in the need to increase the pad size from 1.38 acres to 2.34 acres. Operator is requesting that this 2A be expedited to ensure that the construction to expand the pad for a larger rig is completed before inclement weather approaches and be fully constructed when rig becomes available as early as September. See attached doc #400084946 for expansion details. Rule 306 Consultation date refers to date BLM approved the pad expansion (see attached BLM Sundry). All measurements 5280' are one mile or greater. The closest water well is Permit #116467 but does not report a Static Water Level. Next closest water well also does not report a Static Water Level. Water well Permit #227323 at 4070' from well reports a Static Water Level of 36'. Reference Area Photos will be submitted at a later date.

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

Signed: _____ Date: 08/26/2010 Email: tlhoffman@q.com

Print Name: Terry L. Hoffman Title: Permit 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: _____

David S. Neslin

Director of COGCC

Date: 9/17/2010

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.

No portion of any pit that will be used to hold liquids shall be constructed on fill material, unless the pit and fill slope are designed and certified by a professional engineer, subject to review and approval by the director prior to construction of the pit. The construction and lining of the pit shall be supervised by a professional engineer or their agent. The entire base of the pit must be in cut.

Location is in a sensitive area because of close proximity to surface water, therefore, operator must ensure 110 percent secondary containment for any volume of fluids 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 sufficiently protective of nearby surface water. If fluids are conveyed via pipeline, operator must implement best management practices to contain any unintentional release of fluids.

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Location may be in a sensitive area due to shallow groundwater; therefore, either a lined drilling pit or closed loop system must be implemented.

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. At the time of closure, the drill cuttings must also meet the applicable standards of table 910-1.

Attachment Check List

Att Doc Num	Name	Doc Description
2033382	CORRESPONDENCE	LF@2541574 2033382
2529542	EXCEPTION LOC REQUEST	LF@2541687 2529542
2529543	WAIVERS	LF@2541713 2529543
400084933	FORM 2A SUBMITTED	LF@2531358 400084933
400084946	CONST. LAYOUT DRAWINGS	LF@2531359 400084946
400084961	PROPOSED BMPs	LF@2531360 400084961
400085297	NRCS MAP UNIT DESC	LF@2531361 400085297
400085952	FED. SUNDRY NOTICE	LF@2531362 400085952
400086439	DOW CONSULTATION	LF@2531363 400086439
400086477	ACCESS ROAD MAP	LF@2531364 400086477
400086479	HYDROLOGY MAP	LF@2531365 400086479
400087976	LOCATION PICTURES	LF@2531366 400087976
400087992	REFERENCE AREA MAP	LF@2531367 400087992
400087993	LOCATION DRAWING	LF@2531368 400087993

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
DOW	<p>CDOW has reviewed the federal lease agreement between the operator and the KFO of BLM. CDOW affirms that the stipulations of the lease to be conditions of approval for this location.</p> <p>NOTE: This is an existing well pad location located within an RSO originally approved in 2009. The location has closure dates for drilling and construction during greater sage grouse lekking season.</p> <p>Submitted by: Ed Winters, Land Use Specialist</p> <p>10 September 2010 @ 15:54</p>	9/10/2010 3:57:08 PM
OGLA	<p>Initiated/Completed OGLA Form 2A review on 08-31-10 by Dave Kubeczko; requested clarifications and acknowledgement of fluid containment, spill/release BMPs, lined pits/closed loop, cuttings low moisture content, no pit in fill COAs from operator on 08-31-10; received clarifications and acknowledgement of COAs from operator on 08-?-10; passed by CDOW on 09-10-10 with timing restrictions and BLM stipulations and COAs acceptable; passed OGLA Form 2A review on 09-17-10 by Dave Kubeczko; fluid containment, spill/release BMPs, lined pits/closed loop, cuttings low moisture content, no pit in fill COAs.</p>	8/31/2010 11:46:03 AM
Permit	<p>Note: Previous Form 2 (Doc #1713999) had COA's attached</p>	8/27/2010 1:51:13 PM

Total: 3 comment(s)

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