

**FORM
2A**Rev
04/01

State of Colorado

Oil and Gas Conservation Commission

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



DE ET OE ES

Document Number:

400147973

Oil and Gas Location Assessment☒ New Location ☐ Amend Existing Location Location#: _____

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:

Expiration Date:

☒ 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: 10124

Name: VESSELS COAL GAS INC

Address: 730 17TH ST - SUITE 340

City: DENVER State: CO Zip: 80202

3. Contact Information

Name: Paul Jordan

Phone: (303) 809-1273

Fax: (303) 575-9697

email: paul@np3llc.com

4. Location**Identification:**

Name: Oxbow Mining LLC Number: 1

County: GUNNISON

QuarterQuarter: NESW Section: 11 Township: 13S Range: 90W Meridian: 6 Ground Elevation: 6185

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: 2603 feet FSL, from North or South section line, and 2286 feet FWL, from East or West section line.

Latitude: 38.932080 Longitude: -107.416450 PDOP Reading: 2.4 Date of Measurement: 02/15/2011

Instrument Operator's Name: Randy H. Wilmore

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

Special Purpose Pits: <input type="checkbox"/>	Drilling Pits: <input type="checkbox"/>	Wells: <input type="text" value="1"/>	Production Pits: <input type="checkbox"/>	Dehydrator Units: <input type="checkbox"/>
Condensate Tanks: <input type="checkbox"/>	Water Tanks: <input type="checkbox"/>	Separators: <input type="checkbox"/>	Electric Motors: <input type="checkbox"/>	Multi-Well Pits: <input type="checkbox"/>
Gas or Diesel Motors: <input type="checkbox"/>	Cavity Pumps: <input type="checkbox"/>	LACT Unit: <input type="checkbox"/>	Pump Jacks: <input type="checkbox"/>	Pigging Station: <input type="checkbox"/>
Electric Generators: <input type="checkbox"/>	Gas Pipeline: <input type="text" value="1"/>	Oil Pipeline: <input type="checkbox"/>	Water Pipeline: <input type="checkbox"/>	Flare: <input type="checkbox"/>
Gas Compressors: <input type="checkbox"/>	VOC Combustor: <input type="checkbox"/>	Oil Tanks: <input type="checkbox"/>	Fuel Tanks: <input type="checkbox"/>	

Other: Existing coal mine leach pond to be used as drilling pit

6. Construction:

Date planned to commence construction: 05/01/2011 Size of disturbed area during construction in acres: 0.00
Estimated date that interim reclamation will begin: 08/01/2011 Size of location after interim reclamation in acres: 0.00
Estimated post-construction ground elevation: 6185 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: Evaporation

7. Surface Owner:

Name: Jim Kiger Phone: (970) 929-5122
Address: 3737 Highway 133 - POB 535 Fax: (970) 929-5177
Address: _____ Email: jim.kiger@oxbow.com
City: Somerset State: CO Zip: 81434 Date of Rule 306 surface owner consultation: _____
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: 20050098 ☐ 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: 20000, public road: 91, above ground utilit: 20000
, railroad: 7200, property line: 61

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: 41. Curecant-Fughes stony loams - Paonia Area, Parts of Delta, Gunnison and Montrose Counties

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: Gambel Oak, Elk Sedge, Moutain Brome, Saskatoon Serviceberry, Wheatgrass, Mountain Snowberry, Needle Grass, Western Wheatgrass, Arizona Fescue, Bluebunch Wheatgrass, Bottlebrush Squirrealtail, Common Snowberry, Muttongrass, Sagebrush, Slender Wheatgrass

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): Additional Plant Species: True Mountain Mahogany

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: 300, water well: 5200, depth to ground water: 100

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:

The well will be drilled on an existing pad that was previously constructed by the surface owner; therefore, minimal to no pad construction required prior to the drilling of the Oxbow Mining LLC #1.

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

Signed: _____ Date: _____ Email: paul@np3llc.com

Print Name: Paul Jordan Title: Managing Principal, NP3

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: _____

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.

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Attachment Check List

Att Doc Num	Name
400148478	LOCATION DRAWING
400148482	CONST. LAYOUT DRAWINGS
400148486	CONST. LAYOUT DRAWINGS
400148487	HYDROLOGY MAP A, TOPO
400148490	TOPO MAP
400148491	ACCESS ROAD MAP
400148495	NRCS MAP UNIT DESC
400148506	OTHER
400148507	

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>

Total: 0 comment(s)

BMP

<u>Type</u>	<u>Comment</u>

Total: 0 comment(s)