

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



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Document Number:

400215194

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: 57667

Name: MINERAL RESOURCES, INC.

Address: PO BOX 328

City: GREELEY State: CO Zip: 80632

3. Contact Information

Name: Collin Richardson

Phone: (970) 352-9446

Fax: (800) 850-9334

email: collin@mineralresourcesinc.com

4. Location Identification:

Name: Sheep Draw Directional Number: #1

County: WELD

QuarterQuarter: NWNE Section: 9 Township: 5N Range: 66W Meridian: 6 Ground Elevation: 4786

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: 1019 feet FNL, from North or South section line, and 3647 feet FWL, from East or West section line.

Latitude: 40.418540 Longitude: -104.781340 PDOP Reading: 1.7 Date of Measurement: 11/09/2011

Instrument Operator's Name: Jim Peck

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"/> | Wells: <input type="text" value="42"/> | Production Pits: <input type="text"/> | Dehydrator Units: <input type="text"/> |
| Condensate Tanks: <input type="text"/> | Water Tanks: <input type="text" value="4"/> | Separators: <input type="text" value="14"/> | Electric Motors: <input type="text" value="1"/> | 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"/> | 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="2"/> |
| Gas Compressors: <input type="text" value="1"/> | VOC Combustor: <input type="text"/> | Oil Tanks: <input type="text" value="20"/> | Fuel Tanks: <input type="text"/> | |

Other: Gas motor and compressor are part of VRU

6. Construction:

Date planned to commence construction: 08/01/2012 Size of disturbed area during construction in acres: 9.00
Estimated date that interim reclamation will begin: 08/01/2013 Size of location after interim reclamation in acres: 3.50
Estimated post-construction ground elevation: 4786 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: Clifford R. Dyer Phone: _____
Address: PO Box 317 Fax: _____
Address: _____ Email: _____
City: Glen Haven State: CO Zip: 80532 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: 20090133 ☐ 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: 353, public road: 305, above ground utilit: 407
, railroad: 26000, property line: 115

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: Otero sandy loam, 1 to 3 percent slopes

NRCS Map Unit Name: Nelson fine sandy loam, 3 to 9 percent slopes

NRCS Map Unit Name: Otero sandy loam, 3 to 5 percent slopes

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: _____

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): _____

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: 1193, water well: 506, depth to ground water: 21

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:

1. Depth to groundwater determined from the static water level of nearby water well, Receipt #0258742. 2. The drilling of the wells and the construction of the production equipment will be completed in phases. Future phases of production equipment is highlighted on the phasing map. Construction of future equipment is dependent upon the receipt of setback waivers. Phase I production equipment will include the southern most 9 separators and the southern most 10 tanks.

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

Signed: _____ Date: _____ Email: dan.hull@LRA-inc.com

Print Name: Dan Hull Title: Senior Project Manager

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.

Attachment Check List

| Att Doc Num | Name |
|-------------|-----------------------|
| 400253230 | SURFACE AGRMT/SURETY |
| 400253232 | WAIVERS |
| 400253236 | WAIVERS |
| 400253245 | OIL & GAS LEASE |
| 400253249 | NRCS MAP UNIT DESC |
| 400253252 | NRCS MAP UNIT DESC |
| 400253253 | NRCS MAP UNIT DESC |
| 400253495 | WASTE MANAGEMENT PLAN |
| 400253897 | ACCESS ROAD MAP |
| 400253901 | OTHER |
| 400253903 | HYDROLOGY MAP |
| 400253904 | LOCATION DRAWING |
| 400253906 | MULTI-WELL PLAN |
| 400253928 | LOCATION PICTURES |

Total Attach: 14 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> |
|--------------------------------|---|
| Drilling/Completion Operations | Public Notice - A sign with Mineral Resources' contact information and a 24 hour contact number will be placed at or near the access road entrance. - For this project, per the City of Greeley's Use by Special Review process, public notice will be provided by the city staff. Notice will be provided in the following forms; by a sign, of sufficient size, placed on the property for 7 or more consecutive days prior to the meeting, by newspaper advertisement at least 5 but not more than 15 days prior to the public meetings, and by courtesy letter. At the public hearing, area residents will have the opportunity to speak and ask questions about the project. |
| Storm Water/Erosion Control | Fugitive Dust and Vehicle Tracking -Traffic speeds will be limited to control fugitive dust. -Watering will be completed to control fugitive dust as needed. -Graveled entries will be provided for vehicle tracking control. Refer to the Stormwater Management Plan for location. -Furrowing of disturbed soil will be provided at right angles to prevailing winds as needed. |

| | |
|--|---|
| Material Handling and Spill Prevention | <p>Spill Prevention</p> <ul style="list-style-type: none"> -All materials, waste, and fluids kept on-site will be stored in an appropriate manner to prevent contamination of the environment. -If a spill occurs, it will be cleaned up using absorbent material and by removing the contaminated soil. -Any contaminated soil will be disposed of appropriately. -All efforts will be made to prevent the spill from migrating off-site or coming into contact with stormwater runoff. -The Spill Control and Countermeasures plan will address and control all spill procedures. |
| Storm Water/Erosion Control | <p>Stormwater</p> <ul style="list-style-type: none"> -Mineral Resources maintains a Field Wide Stormwater Management Permit, Certification No. COR03H509. This site falls under this permit. -Stormwater best management practices will be completed per the site specific stormwater management plan. -Permanent seeding will be installed once all drilling and completion activities are finalized. -All stormwater best management practices will remain in place until final stabilization is achieved. |
| Planning | <p>Project Phasing</p> <ul style="list-style-type: none"> -The drilling of the wells at this location will be phased. -Phasing the drilling schedule will minimize impacts to surrounding neighbors by reducing the length of continued drilling periods. |
| Construction | <p>Noxious Weeds</p> <ul style="list-style-type: none"> -The site will be inspected for weed infested areas. -Prompt action will be taken to mitigate infested areas. -All noxious weeds identified will not be allowed to reach the flowering or seed dispersal stage. -Vehicles will not be allowed to drive through weed infested areas. -Machinery will not be parked in weed infested areas. -Vehicles sent off-site regularly will be inspected to assure that undercarriages and grill works are kept free of weed seed. -Undercarriages of vehicles or machinery potentially contaminated with noxious weed seeds will be washed before entry is made into noninfested areas. |
| Interim Reclamation | <p>Reclamation</p> <ul style="list-style-type: none"> - Interim and or final reclamation of the site will be completed per the COGCC rules and regulations. |
| General Housekeeping | <p>Soild Waste</p> <ul style="list-style-type: none"> - The site will be cleaned of all trash and waste as soon as practical. - All waste will be stored in sealed containers until it can be disposed of appropriately. - Solid waste will be removed from the site and disposed of per state regulations for solid waste. |
| Drilling/Completion Operations | <p>Noise and Light Mitigation</p> <ul style="list-style-type: none"> -To the maximum extent possible, exhaust from all engines, motors, coolers, and other mechanized equipment shall be vented away from occupied buildings. -Facilities within 400 feet of building units shall be equipped with quiet design mufflers or equivalent. -If noise complaints are made during drilling, Mineral Resources will take sound measurements near the commercial properties to the north and the residential properties to the south.If the readings are found to be greater than those allowed per the COGCC for the "Residential/Agricultural/Rural" zone, hay bales or other practical measures will be utilized to create a noise buffer.. -All lighting will be positioned to prevent glare.. |

Total: 9 comment(s)