

**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:

400244390

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:

427908

Expiration Date:

02/25/2015☒ 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: 10375

Name: ULTRA RESOURCES INC

Address: 304 INVERNESS WAY SOUTH #295

City: ENGLEWOOD State: CO Zip: 80112

3. Contact Information

Name: Debbie Ghani

Phone: (303) 645-9810

Fax: (303) 708-9748

email: dghani@ultrapetroleum.com

4. Location Identification:

Name: PONDEROSA 41-17 Number: 1V

County: EL PASO

QuarterQuarter: NENE Section: 17 Township: 14S Range: 64W Meridian: 6 Ground Elevation: 6505

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: 600 feet FNL, from North or South section line, and 300 feet FEL, from East or West section line.

Latitude: 38.837039 Longitude: -104.573131 PDOP Reading: 2.4 Date of Measurement: 01/03/2012

Instrument Operator's Name: OWEN MCKEE

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="5"/>	Production Pits: <input type="text"/>	Dehydrator Units: <input type="text"/>
Condensate Tanks: <input type="text"/>	Water Tanks: <input type="text" value="2"/>	Separators: <input type="text"/>	Electric Motors: <input type="text"/>	Multi-Well Pits: <input type="text"/>
Gas or Diesel Motors: <input type="text" value="5"/>	Cavity Pumps: <input type="text"/>	LACT Unit: <input type="text"/>	Pump Jacks: <input type="text" value="5"/>	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" value="1"/>	Oil Tanks: <input type="text" value="4"/>	Fuel Tanks: <input type="text"/>	

Other: _____

6. Construction:

Date planned to commence construction: 04/01/2012 Size of disturbed area during construction in acres: 8.50
Estimated date that interim reclamation will begin: 08/01/2014 Size of location after interim reclamation in acres: 2.00
Estimated post-construction ground elevation: 6499 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: 01/11/2012
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: 20110150 ☐ Gas Facility Surety ID: _____ ☐ Waste Mgmt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes ☐ No ☒
Distance, in feet, to nearest building: 875, public road: 344, above ground utilit: 315
, railroad: 5280, property line: 300

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: 86 STONEHAM SANDY LOAM

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: 01/11/2012

List individual species: see attached Rangeland Productivity and Plant Composition

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: 650, water well: 1290, depth to ground water: 98

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:

Ultra's phased development plan includes Phase I – a small pad for one vertical well. Based on the results of this pilot well, Phase II would include a larger pad for up to four horizontal wells. Distance to nearest surface water is 2385' NE to intermittent stream (see Hydrology Map). Distance to nearest water well is 1290' NW; Permit #96215.

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

Signed: _____ Date: 01/31/2012 Email: dghani@ultrapetroleum.com

Print Name: Debbie Ghani Title: Permitting Coordinator

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: 2/26/2012

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.

Notify the COGCC Regional Environmental Protection Specialist (Steve Lindblom; email Steve.Lindblom@state.co.us) 7 days prior to collection of baseline samples. The COGCC may elect to collect split samples during the baseline sampling event for independent chemical analysis.

Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for South Eastern Colorado (Arthur Koepsell; email Arthur.Koepsell@state.co.us), the COGCC Field Inspection Supervisor for Southern Colorado (Mike Leonard; email Mike.Leonard@state.co.us) 24 hours prior to mobilizing a drill rig to the location.

In accordance with COGCC Rule 1002.f.(2)A. & B., during multi-well drilling and completion operations the operator shall provide a designated storage area for dry bulk chemicals and miscellaneous fluids. The storage area shall be covered to prevent contact of precipitation with chemicals, shall be elevated above storm- or standing water, and shall provide sufficient containment to prevent release of spilled fluids or chemicals from impacting soil, surface water or groundwater and will prevent the co-mingling of spilled fluids or chemicals with other E & P Waste.

Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for South Eastern Colorado (Arthur Koepsell; email Arthur.Koepsell@state.co.us), the COGCC Field Inspection Supervisor for Southern Colorado (Mike Leonard; email Mike.Leonard@state.co.us) 48 hours prior to commencing pad construction.

COGCC Notifications can be made by using on eForms using form 42.

The operator will conduct baseline sampling of (at a minimum) the two (2) closest water wells, two (2) deep aquifer samples (as close to the location as possible). Preference for deep aquifer samples is for wells completed in either the Laramie-Fox Hills or Arapahoe formations.

The operator may conduct additional groundwater monitoring at their own discretion. Laboratory analysis at a minimum will include the following: pH (lab) TDS Conductivity (lab, not resistivity) SAR calculation Ca, K, Mg, Na, As, B, Ba, Cd, Cr, Cu, Fe, Mn, Pb, Se (all total recoverable) Br, Cl, F, SO₄, Alkalinity (Total, HCO₃ and CO₃ – all expressed as CaCO₃) benzene toluene ethyl benzene o-xylene m- + p-xylene Dissolved Methane MBAS, DRO, GRO Field parameters including pH, Temperature and Conductivity shall be recorded prior to collecting the sample for laboratory analysis. Field observations such as odor, water color, sediment, bubbles and effervesce shall also be included.

If free gas or a dissolved methane concentration level greater than one (1) milligrams per liter (mg/l) is detected in a water well, gas compositional analysis and stable isotope analysis of the methane (carbon and deuterium) shall be performed to determine gas type (biogenic or thermogenic). If the methane concentration increases by more than five (5) mg/l between sampling periods, or increases to more than ten (10) mg/l, the operator shall notify the Director and the owner of the water well immediately. If thermogenic methane concentrations increase between sampling periods, the operator shall submit to the Director an action plan to determine the source of the increase.

The selected sampling locations will be sampled again 1 year, 3 years and 6 years after completion. Post completion sampling of water wells will consist of the same analyte list as the pre-drilling program. Copies of all test results, field parameters and field observations described above shall be provided to the Director and the water well owner within three (3) months of collecting the samples. The analytical data and surveyed sample locations shall also be submitted to the Director in an electronic data deliverable format.

Operator must implement site-specific best management practices in accordance with good engineering practices, including, but not limited to, construction of a berm or diversion dike, site grading, or other comparable measures, sufficient to prevent a release of drilling, completion, produced fluids, or chemical products from migrating off of the location.

Prior to initiating construction of the fresh water pit the operator is required to submit a Form 15 Pit Permit. The fresh water storage pit shall be lined in accordance with Rule 904.b. and 904.c. The fresh water storage pit shall include signage that: identifies the pit use as a freshwater-only pit, prohibits placing E&P Waste in the pit, and lists each well that the pit will serve. The pit is required to be closed with a form 27.

Attachment Check List

Att Doc Num	Name
2533527	CORRESPONDENCE
400244390	FORM 2A SUBMITTED
400244889	MULTI-WELL PLAN
400244890	ACCESS ROAD MAP
400244891	HYDROLOGY MAP
400244892	LOCATION DRAWING
400244893	LOCATION PICTURES
400244947	REFERENCE AREA MAP
400244948	REFERENCE AREA PICTURES
400244953	TOPO MAP
400247292	NRCS MAP UNIT DESC
400247295	NRCS MAP UNIT DESC

Total Attach: 12 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review passed 2/24/2012 NKP	2/24/2012 4:03:34 PM
Permit	Per D. Ghani, Distance to nearest building is 875' NW, Distance to nearest public road is 344' E, Distance to nearest railroad is >5280' NW, Distance to nearest mineral lease line is 660' N	2/22/2012 11:44:03 AM
OGLA	Ready to pass.	2/21/2012 9:12:56 AM
Permit	Operator corrected NRCS map unit attachment. This form has passed completeness.	1/31/2012 1:15:14 PM
Permit	Returned to draft. NRCS attachment will not open.	1/31/2012 11:05:10 AM

Total: 5 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Site Specific	CONTRACTOR SHALL CONTROL FUGITIVE DUST AT THE WELL SITE AND ON ACCESS ROADS ON AN AS-NEEDED BASIS. METHODS AND CHEMICALS USED FOR DUST CONTROL SHALL COMPLY WITH EL PASO COUNTY AND MAY INCLUDE THE USE OF MULCHES AND/OR TACKIFIERS, EROSION CONTROL MATS AND/OR BLANKETS, APPROPRIATE SEED MIXES AND/OR SOIL AMENDMENTS AND ANY OTHER PRACTICES NECESSARY TO PREVENT SOIL EROSION BY WIND AND STORMWATER.

Total: 1 comment(s)