

FORM
2A

Rev
04/01

State of Colorado
Oil and Gas Conservation Commission

1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303) 894-2100 Fax: (303) 894-2109



Document Number:

400255682

Date Received:

03/09/2012

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:

428932

Expiration Date:

05/16/2015

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: 10133
 Name: HILCORP ENERGY COMPANY
 Address: P O BOX 61229
 City: HOUSTON State: TX Zip: 77208

3. Contact Information

Name: John McKnight
 Phone: (713) 289-2755
 Fax: (713) 209-2478
 email: jmcknight@hilcorp.com

4. Location Identification:

Name: Myers Number: 21-06CH
 County: EL PASO
 QuarterQuarter: LOT 3 Section: 6 Township: 14S Range: 63W Meridian: 6 Ground Elevation: 6340

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: 625 feet FNL, from North or South section line, and 1980 feet FWL, from East or West section line.
 Latitude: 38.865690 Longitude: -104.491510 PDOP Reading: 1.1 Date of Measurement: 02/24/2012
 Instrument Operator's Name: K. Daley

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

Special Purpose Pits: <input type="text" value="1"/>	Drilling Pits: <input type="text"/>	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="2"/>	Separators: <input type="text" value="1"/>	Electric Motors: <input type="text"/>	Multi-Well Pits: <input type="text"/>
Gas or Diesel Motors: <input type="text" value="2"/>	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" value="1"/>	Gas Pipeline: <input type="text"/>	Oil Pipeline: <input type="text" value="1"/>	Water Pipeline: <input type="text"/>	Flare: <input type="text"/>
Gas Compressors: <input type="text"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text" value="2"/>	Fuel Tanks: <input type="text" value="1"/>	

Other: Meter Run

6. Construction:

Date planned to commence construction: 05/14/2012 Size of disturbed area during construction in acres: 5.30
Estimated date that interim reclamation will begin: 11/14/2012 Size of location after interim reclamation in acres: 2.10
Estimated post-construction ground elevation: 6344 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: Closed Loop

7. Surface Owner:

Name: Dale Myers Phone: 719-360-3333
Address: 19016 Malmsbury Court Fax: _____
Address: _____ Email: _____
City: Monument State: CO Zip: 80132 Date of Rule 306 surface owner consultation: 02/22/2012
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: 20050122 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: 2595, public road: 4120, above ground utilit: 2660
, railroad: 5280, property line: 625

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 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: 97 - Truckton sandy loam, 3 to 9 percent slopes
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: Prairie sandreed, Needleandthread, Sand dropseed, Western wheatgrass, Sand bluetem, Sideoats grama.

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: 500, water well: 350, depth to ground water: 68
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 location lies in the Upper Black Squirrel Creek designated water basin, but does not fall under the COGCC Rule 317B. Depth to ground water determined from the closest COGCC GIS Water Well Permit No. 26080 which lies south/southwest of the well location by approximately ±350 in Sec. 6 T14S R63W.

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.
Signed: _____ Date: 03/09/2012 Email: chris@banko1.com
Print Name: Chris F. McRickard 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:  Director of COGCC Date: 5/17/2012

**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.

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.

In accordance with COGCC Rule 1002.f.(2)A. & B., during 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.

Baseline water sampling

The operator will conduct baseline sampling of (at a minimum) the two (2) closest water wells. 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 approved by Director.

Participating in the COGA voluntary baseline water quality monitoring program meets the requirements of this COA.

Attachment Check List

Att Doc Num	Name
2533548	CORRESPONDENCE
2533551	CORRESPONDENCE
2533553	CONST. LAYOUT DRAWINGS
2533554	CORRESPONDENCE
2533556	CORRESPONDENCE
400255682	FORM 2A SUBMITTED
400259354	REFERENCE AREA PICTURES
400259355	LOCATION PICTURES
400259358	HYDROLOGY MAP
400260144	ACCESS ROAD MAP
400260147	LOCATION DRAWING
400260148	REFERENCE AREA MAP
400260149	NRCS MAP UNIT DESC

Total Attach: 13 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review passed 5/15/2012	5/15/2012 9:37:16 AM
OGLA	I have received all of the requested information from Hillcorp. Ready to pass.	4/13/2012 8:20:02 AM
OGLA	<p>The following email was received from Hillcorp regarding Centennial Ridge subdivisions request to move the access road to the North.</p> <p>Mr. Koepsell,</p> <p>Hilcorp Energy Company has contacted Mr. Dale Myers to discuss the concerns of the Centennial Ridge Subdivision's public comments submitted to the COGCC as they relate to the proposed access road to the proposed Myers 21-06CH well location. At this time, Mr. Dale Myers would like to keep the original location of the access road for the Myers 21-06CH well as submitted to the COGCC. Mr. Dale Myers has near-term future uses for his land which conflict with the suggestions made by the Centennial Ridge Subdivision of relocating the access road to the northern most point of Mr. Myer's property line.</p> <p>Sincerely,</p> <p>Chris McRickard Project Coordinator P: 303-820-4480 x102 F: 303-820-4124 385 Inverness Parkway Englewood, CO 80112</p>	4/13/2012 8:07:58 AM
Permit	Distance to nearest property line is 625 feet per opr. 4/11/2012	4/11/2012 6:08:29 PM
Permit	Email to opr to verify distance to property line 4/11/2012 NKP	4/11/2012 8:03:59 AM
OGLA	On hold _ Hillcorp is going to provide a revised site drawing to account for a proposed freshwater pit.	4/2/2012 7:54:23 AM
OGLA	<p>Received from Banko Petroleum on 3/29/2012.</p> <p>Arthur- I wanted to give you notice that Hilcorp intends to build lined fresh water pits for their fracking operations in El Paso County for the Myers 21-06CH & State of Colorado 24-33BH well locations. These pits will only be utilized for fresh water and not for frack flow back. All frack flow back will be contained within tanks.</p> <p>The dimension of the fresh water pits for the Myers 21-06CH & State of Colorado 24-33BH will be 200' x 100' x 15' for an approximate volume of 50,000 barrels. Signs will be posted at the pit for "Fresh Water Use Only."</p> <p>I will email you a revised "Proposed Pad Layout" by the end of the week.</p> <p>Please let me know if you have any questions or concerns.</p>	3/30/2012 8:07:58 AM
LGD	<p>1.Hilcorp is participating in COGA's Water Quality Testing Program.Their participation in this program addresses the County's concern regarding water quality testing at this time (until we work out an IGA with the COGCC regarding the conflict in our local regulations and COGCC's regarding water quality).</p> <p>2.It appears the Access Road needs to be relocated to another area further away from the neighbor.</p>	3/29/2012 1:49:34 PM

OGLA	Hill Corps. Waste Management Plan: This plan will be utilized for both State of Colorado 24-33BH & Myers 21-06CH wells. 1)The cuttings pit will be closed in accordance with Colorado Oil and Gas Conservation Commission 900 and 1000 Series Rules. Hilcorp shall ensure that soils meet the concentration levels of Table 910-1. If the pit is lined, liner material shall be removed and disposed of in accordance with applicable legal requirements for solid waste disposal. 2)The mud used for drilling, if water based, will be reused if possible. If there is no opportunity for the mud to be reused, the mud will be hauled to an approved disposal facility. 3)Produced water will be flowed back to tanks and hauled to an approved disposal facility. 4)Upon the completion of drilling, all excess materials will be hauled off location. 5)If any of these procedures change, the COGCC will be notified via a sundry notice.	3/28/2012 11:31:01 AM
OGLA	The following public comment was received via email. The email and attached correspondence has been included in attachments under Correspondence 2890686 2533548. Mr. Koepsell, We spoke on the phone Wednesday concerning the proposed Hilcorp Energy well Myers 21-06CH. While our neighborhood is not enthused about possibly having an oil well near us, at least initially our primary concern is with the proposed access road. Changing its location would be beneficial to our subdivision and, we believe, would also make sense to Hilcorp Energy for a variety of reasons. You requested that I email our comments for inclusion in the public comments for this well. Attached is a .pdf file containing our comments along with the rationale for changing the access road location. Please submit this document with comments on the Myers 21-06CH application for consideration. We have also contacted Hilcorp Energy directly and will also be contacting the El Paso County government. Thank you for your assistance, Michael Zimbleman	3/23/2012 1:13:57 PM
OGLA	Received a phone call from a local resident who is concerned about the access road to the pad. The proposed access is near the common property line and the resident's home.	3/21/2012 2:04:03 PM
Permit	Operator corrected plugging bond and surface and minerals information. This form has passed completeness.	3/12/2012 10:52:43 AM
Permit	Returned to draft. Missing plugging bond and surface and minerals information.	3/12/2012 6:27:31 AM

Total: 13 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Storm Water/Erosion Control	Storm water BMPs will be implemented for stormwater and sedimentary control.

Total: 1 comment(s)