

**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:

400272243

Date Received:

05/01/2012

Oil and Gas Location Assessment☐ New Location☒ Amend Existing Location Location#: 311910

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:

311910

Expiration Date:

07/25/2015☒ 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: 26625Name: ELM RIDGE EXPLORATION CO LLCAddress: 12225 GREENVILLE AVE STE 950City: DALLAS State: TX Zip: 95243**3. Contact Information**Name: Terry LindemanPhone: (505) 632-3476Fax: (505) 632-8151email: tlindeman@elmridge.net**4. Location Identification:**Name: IGENumber: 114County: LA PLATAQuarterQuarter: NWSW Section: 18 Township: 33N Range: 7W Meridian: N Ground Elevation: 6537

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: 1415 feet FSL, from North or South section line, and 997 feet FWL, from East or West section line.Latitude: 37.100760 Longitude: -107.655890 PDOP Reading: 3.0 Date of Measurement: 05/03/2006Instrument Operator's Name: Nelson Ross**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="checkbox"/> <u>3</u>	Production Pits: <input type="checkbox"/>	Dehydrator Units: <input type="checkbox"/>
Condensate Tanks: <input type="checkbox"/>	Water Tanks: <input type="checkbox"/> <u>2</u>	Separators: <input type="checkbox"/> <u>2</u>	Electric Motors: <input type="checkbox"/>	Multi-Well Pits: <input type="checkbox"/>
Gas or Diesel Motors: <input type="checkbox"/> <u>0</u>	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="checkbox"/> <u>2</u>	Oil Pipeline: <input type="checkbox"/>	Water Pipeline: <input type="checkbox"/> <u>2</u>	Flare: <input type="checkbox"/>
Gas Compressors: <input type="checkbox"/> <u>0</u>	VOC Combustor: <input type="checkbox"/>	Oil Tanks: <input type="checkbox"/>	Fuel Tanks: <input type="checkbox"/>	
Other: _____				

6. Construction:

Date planned to commence construction: 07/01/2012 Size of disturbed area during construction in acres: 1.07
 Estimated date that interim reclamation will begin: 05/01/2013 Size of location after interim reclamation in acres: 1.00
 Estimated post-construction ground elevation: 6537 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, dry, bury on site

7. Surface Owner:

Name: _____ Phone: _____
 Address: _____ Fax: _____
 Address: _____ Email: _____
 City: _____ State: _____ Zip: _____ Date of Rule 306 surface owner consultation: 08/25/2006
 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: 20100130 ☐ 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: 450, public road: 1350, above ground utilit: 835
 , 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: 5. Arboles clay, 3 to 12 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: Western wheatgrass, Big sagebrush, Blue grama, Bottlebrush squirreltail, Indian ricegrass, Muttongrass, Prairie Junegrass, Rocky Mountain juniper, Rubber rabbitbrush, Twoneedle pinyon

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: 475, water well: 1750, depth to ground water: 40

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:

Depth of ground water info was obtained from proximate water wells report. Reference is located immediately adjacent to the well pad to the west on undisturbed ground.

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

Signed: _____ Date: 05/01/2012 Email: brad@animas.net

Print Name: C. Brad Caskey Title: 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: 7/26/2012

**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.

SITE SPECIFIC COAs:

Location is in a sensitive area because of proximity to surface water; therefore, operator must ensure 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 (i.e., best management practices (BMPs) associated with stormwater management) sufficiently protective of nearby surface water. Any berm constructed at the well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.

Operator must implement best management practices to contain any unintentional release of fluids, including any fluids conveyed via temporary surface or buried pipelines.

There is the potential for 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.

Notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us), the COGCC Field Inspection Supervisor for Southern Colorado (Mike Leonard; email mike.leonard@state.co.us), and the COGCC Field Inspector for La Plata County (Steve Labowskie; email steve.labowskie@state.co.us) 48 hours prior to start of pad construction, pit liner installation (if applicable), rig mobilization, spud, and start of hydraulic stimulation operations using Form 42 (the appropriate COGCC individuals will automatically be email notified, including the LGD for hydraulic stimulation operations).

If the wells are to be hydraulically stimulated, flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline or pit located on the well pad or into tanker trucks for offsite disposal. The flowback and stimulation fluid tanks, separators, or other containment/filtering equipment must be placed on the well pad in an area with additional downgradient perimeter berming. The area where flowback fluids will be stored/reused must be constructed to be sufficiently impervious to contain any spilled or released material.

Attachment Check List

Att Doc Num	Name
2034449	CORRESPONDENCE
2034450	MULTI-WELL PLAN
400272243	FORM 2A SUBMITTED
400272266	NRCS MAP UNIT DESC
400272269	HYDROLOGY MAP
400272270	LOCATION DRAWING
400272272	REFERENCE AREA MAP
400272278	LOCATION PICTURES
400272280	CONST. LAYOUT DRAWINGS
400272281	ACCESS ROAD MAP
400279850	SURFACE AGRMT/SURETY

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review passed 7/25/2012 NKP	7/25/2012 3:22:21 PM
OGLA	Initiated/Completed OGLA Form 2A review on 06-07-12 by Dave Kubeczko; requested clarifications and acknowledgement of fluid containment, spill/release BMPs, lined pits/closed loop, moisture content cuttings, and flowback to tanks COAs from operator on 06-07-12; received clarifications (Multi-Well Plan) and acknowledgement of COAs from operator on 07-06-12; changed to sensitive area due to shallow GW and close SW; changed depth to GW to 40' bgs; passed by CPW on 05-21-12 with closed loop acceptable; passed OGLA Form 2A review on 07-13-12 by Dave Kubeczko; fluid containment, spill/release BMPs, lined pits/closed loop, moisture content cuttings, and flowback to tanks COAs.	5/7/2012 2:37:09 PM
DOW	CPW, Elm Ridge, and La Plata County conducted an onsite for this location on May 21, 2012. The operator indicated that they would be utilizing a closed loop pitless drilling system. If conditions/circumstances should change and a closed loop system will not be used, then CPW recommends the reserve pit be kept fluid free or that fencing and netting be installed in a manner to preclude access by wildlife (including birds and bats) to the fluids in the pit once active drilling and completion activities have ceased.	5/21/2012 3:19:59 PM
Permit	Operator corrected SUA and surface and minerals information. This form has passed completeness.	5/2/2012 2:59:31 PM
Permit	Returned to draft. Missing SUA and invalid surface and minerals information.	5/2/2012 7:26:21 AM

Total: 5 comment(s)

BMP

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

Total: 0 comment(s)