

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:

400329702

Date Received:

11/14/2012

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:

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) 352-9466
 Fax: (800) 850-9334
 email: collin@mineralresourcesinc.com

4. Location Identification:

Name: Downtown Directional Number: #1
 County: WELD
 Quarter: NWNE Section: 5 Township: 5N Range: 65W Meridian: 6 Ground Elevation: 4642

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: 394 feet FNL, from North or South section line, and 1834 feet FEL, from East or West section line.
 Latitude: 40.435440 Longitude: -104.684270 PDOP Reading: 1.0 Date of Measurement: 11/12/2012
 Instrument Operator's Name: C. Holmes

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="22"/> | 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="22"/> | 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="22"/> | Fuel Tanks: <input type="text"/> | |

Other: Gas motor and compressor are part of VRU

6. Construction:

Date planned to commence construction: 05/01/2013 Size of disturbed area during construction in acres: 12.70
Estimated date that interim reclamation will begin: 10/01/2013 Size of location after interim reclamation in acres: 3.00
Estimated post-construction ground elevation: 4640 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: Mineral Resources Inc Phone: (970) 352-9446
Address: PO Box 328 Fax: (800) 850-9334
Address: _____ Email: _____
City: Greeley State: CO Zip: 80632 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 Mgmt. Surety ID: _____

9. Cultural:

Is the location in a high density area (Rule 603.b.): Yes No
Distance, in feet, to nearest building: 572, public road: 762, above ground utilit: 742
, railroad: 1230, property line: 198

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: Aquolls and Aquents, gravelly substratum
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: _____

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: 481, water well: 850, depth to ground water: 4

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 static water level of nearby well, receipt #9065286. 2. Mineral Resources (MRI) is requesting a variance to Rule 303.d(5). A letter to the director is attached. 3. Mineral Resources requests an exception location to 318Aa, 318Ac. The wellheads are to be located outside of a GWA drilling window and located more than 50' from an existing well. Exception request is attached.

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

Signed: _____ Date: 11/14/2012 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.

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Attachment Check List

| Att Doc Num | Name |
|-------------|-----------------------|
| 400329702 | FORM 2A SUBMITTED |
| 400329756 | NRCS MAP UNIT DESC |
| 400346882 | EXCEPTION LOC REQUEST |
| 400346883 | VARIANCE REQUEST |
| 400346884 | WASTE MANAGEMENT PLAN |
| 400348497 | LOCATION DRAWING |
| 400348498 | HYDROLOGY MAP |
| 400348500 | ACCESS ROAD MAP |
| 400348501 | MULTI-WELL PLAN |
| 400348502 | LOCATION PICTURES |
| 400348503 | LOCATION PICTURES |

Total Attach: 11 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> |
|--|--|
| 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.-Phase 1 will consist of 2 to 5 horizontally drilled wells |
| 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>Fugitive Dust and Vehicle Tracking</p> <ul style="list-style-type: none">-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. |
| General Housekeeping | <p>Solid 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. |
| General Housekeeping | <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. |
| 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. |

Total: 6 comment(s)