

**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:

400360104

Date Received:

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: 77330

Name: SG INTERESTS I LTD

Address: 1485 FLORIDA RD #C202

City: DURANGO State: CO Zip: 81301

3. Contact Information

Name: Brett Francois

Phone: (970) 385-0696

Fax: (970) 385-0636

email: bfrancois@sginterests.com

4. Location Identification:

Name: Federal 8-89-31 Number: 1

County: PITKIN

QuarterQuarter: NWSE Section: 31 Township: 8 S Range: 89 W Meridian: 6 Ground Elevation: 9727

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: 2443 feet FSL, from North or South section line, and 1981 feet FEL, from East or West section line.

Latitude: 39.314544 Longitude: -107.368780 PDOP Reading: 1.9 Date of Measurement: 08/14/2012

Instrument Operator's Name: Bob Wood

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="1"/>	Production Pits: <input type="text"/>	Dehydrator Units: <input type="text"/>
Condensate Tanks: <input type="text" value="1"/>	Water Tanks: <input type="text" value="4"/>	Separators: <input type="text" value="1"/>	Electric Motors: <input type="text"/>	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" value="1"/>	Pigging Station: <input type="text"/>
Electric Generators: <input type="text"/>	Gas Pipeline: <input type="text" value="1"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text" value="1"/>	Flare: <input type="text" value="1"/>
Gas Compressors: <input type="text"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text"/>	Fuel Tanks: <input type="text"/>	

Other: water transfer

6. Construction:

Date planned to commence construction: 05/15/2013 Size of disturbed area during construction in acres: 1.80
Estimated date that interim reclamation will begin: 07/15/2013 Size of location after interim reclamation in acres: 1.50
Estimated post-construction ground elevation: 9725 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: USDA Forest Service Phone: (970) 876-9046
Address: 2300 River Frontage Road Fax: (970) 876-9090
Address: _____ Email: jrgross@fs.fed.us
City: Silt State: CO Zip: 81652 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: _____ ☐ 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: 3690, public road: 12790, above ground utilit: 36960
, railroad: 144672, property line: 665

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: USDA Forest Service-Tolby Family-Rock outcrop-Hiwan family complex, 40 to 150% 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: 11/08/2012

List individual species: OBSERVATION-subalpine fir (dense) per FS-logepole pine, subalpine fir and englemann spruce.
Limber pine/common juniper.

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: 5280, water well: 9784, depth to ground water: 30

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:

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

Signed: _____ Date: _____ Email: bfrancois@sginterests.com

Print Name: Brett Francois Title: Regulatory & Enviro

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
400372985	HYDROLOGY MAP
400372993	ACCESS ROAD MAP
400372994	LOCATION DRAWING
400373006	NRCS MAP UNIT DESC
400373043	CONST. LAYOUT DRAWINGS
400373606	LOCATION PICTURES
400374117	SENSITIVE AREA DATA

Total Attach: 7 Files

General Comments

User Group	Comment	Comment Date

Total: 0 comment(s)

BMP

Type	Comment
Site Specific	Drilling pits will be lined with an impervious liner. Fluids contained at a well site during drilling and completion operations will have secondary containment. Monitor surface waters in the project vicinity.
Planning	Conduct wildlife and vegetation surveys to determine presence of threatened, endangered, or sensitive species or their habitat in the project vicinity. Take appropriate protection measures as indicated by the results of these surveys. When siting access roads, pads, pipelines, and facilities to consider impacts to wildlife habitat, agriculture, water resources, recreation, and visual resources. Consider visual impact of cut and fill slopes. Minimize the number, size and distribution of well pads as practicable. Locate pads and facilities near existing roads and pipelines where possible.
Construction	Schedule Construction in streams and rivers at low water periods to minimize disturbance to habitat. Appropriately maintain roads by surfacing, crowning, and maintaining ditches to prevent runoff from damaging water quality. Apply water or other dust suppressants to roads and other work sites as needed to control fugitive dust. Limit speeds on access roads and work sites to prevent road damage and dust problems. Install energy dissipation structures at culvert outfalls to prevent soil erosion. Install and maintain check dams or other structures in the road ditches to slow flowing water and prevent scouring and sedimentation.

Drilling/Completion Operations	Maintain wildlife fencing and netting as needed. Whenever a pit is left open prior to reclamation, it will be fenced and covered with netting to prevent wildlife and birds from entering the pit. If it is necessary to postpone pit closure due to winter conditions, excess water will be removed from the pit and solids in the pit will be fenced and tarped and will exclude wildlife. Limit days and hours of operations where practical to minimize disturbance resulting from activity and traffic. Limit vehicle and equipment parking to designated parking areas. Reduce noise by using effective sound dampening devices and/or other techniques as needed. Use produced water as much as possible in fracturing operations to reduce the use of fresh water. Drilling fluids will be disposed of at a permitted commercial disposal facility. Free water may be hauled to an approved disposal facility to facilitate drying of pits. If fluids must be removed from drilling pits, vacuum trucks will remove these fluids so that the pit liner will not be damaged with heavy equipment.
Wildlife	<p>Screen water suction hoses to exclude fish and other aquatic life when necessary. Pit fencing will be 5' to 8' in height to prevent deer and elk as well as other wildlife from entering the pit. Maintain wildlife fencing and netting as needed. Whenever a pit is left open prior to reclamation, it will be fenced and covered with netting to prevent wildlife and birds from entering the pit. If it is necessary to postpone pit closure due to winter conditions, excess water will be removed from the pit and solids in the pit will be fenced and tarped and will exclude wildlife and birds. Limit days and hours of operations where practical to minimize disturbance resulting from activity and traffic. Promptly report spills to agencies as required. Store emergency spill response equipment at centralized locations so that it is readily available in the event of a spill. Instruct all employees on the aspects of the spill prevention and response plan relevant to their position at the start of their employment. Limit vehicle and equipment parking to designated parking areas. Screen water suction hoses to exclude fish and other aquatic life when necessary. Reduce noise by using effective sound dampening devices and/or techniques as needed. Use centralized fracturing facilities where water is stored for reuse between operations. Connect water storage facilities to well sites with temporary pipelines to reduce truck traffic. Use produced water as much as possible in fracturing operations to reduce use of fresh water.</p> <p>The portions of the cleared well site not needed for operational and safety purposes or future drilling will be reclaimed and re-vegetated.</p>
General Housekeeping	The location and access roads will be kept orderly and as clean as practicable at all times. All garbage and trash will be put in a trash container. The container will be periodically emptied at an approved disposal site. A portable latrine will be provided for human wastes, and wastes will be pumped from portable toilets and hauled to an approved sanitation facility. Sewage will not be buried on location.

Material Handling and Spill Prevention	<p>Cuttings: Cuttings and pit liners will be disposed of at a permitted disposal facility. Pit liners are removed following removal of the dry cuttings. They are disposed of at a solid waste disposal facility. Soil testing under the removed liner area will be conducted prior to backfilling the pit area according to the Colorado Oil & Gas Conservation Commission's 900 series rules.</p> <p>Material Safety Data Sheets (MSDS) for all chemicals and hazardous materials that are used during the drilling, completion, and producing operations will be maintained as per 29 CFR 1910.1200(g). Any petroleum product or other spills will be cleaned up immediately and the material will be hauled to an approved facility. The operator will prevent gasoline, diesel fuel, oil, grease, or any other petroleum products and drilling fluids from migrating off the location or from entering any live stream or riparian area. A spill kit will be available on site during completion and drilling operations. Fuels and lubricants will be transported by fuels distributors and will be stored in facilities specifically designed for that purpose.</p> <p>Drilling Fluids: Disposed of at a permitted commercial disposal facility.</p> <p>Oil or Water Recovered: Free water may be hauled to an approved disposal facility to facilitate drying of pits. If fluids must be removed from drilling pits, vacuum trucks will remove these fluids so that the pit liner will not be damaged with heavy equipment. These fluids will likely be trucked and disposed of at a commercial disposal facility.</p> <p>Reserve pit liner: Pits will be lined with an impervious liner. This liner will have a minimum thickness of twenty-four (24) mils. The liner will cover the bottom and interior sides of the pit with the edges secured with at least a twelve (12) inch deep anchor trench around the pit perimeter. The anchor trench will be designed to secure and prevent slippage or damage to the liner materials. The area under the pit over which the liner is laid will be free of rocks and other objects that could puncture the liner. A minimum of two feet of free board will be maintained between the maximum fluid level and the top of the pits. The pits will be designed to exclude all surface runoff and will be constructed in the cut portion of the well pad. Back slopes will be 2:1 or less. The lined reserve pit or cuttings pit will be fenced on three sides with woven wire during drilling operations and the fourth side fenced immediately after the rig has been moved off location. Fencing will be 6' to 8' in height to prevent deer and elk as well as other wildlife from entering the pit. After the rig has been moved off location, bird netting will be placed over the pit to prevent birds from entering the pit area. The pit will remain fenced until it has dried enough to be backfilled.</p> <p>Sewage: Portable, self contained chemical toilets will be provided for human waste disposal.</p>
Interim Reclamation	<p>Pits will be reclaimed to a natural condition that blends with the rest of the reclaimed pad area in a manner that protects soil stability and provides for protection from spills, leaks, and contamination, as described above. Pits will be reclaimed to a natural condition that blends with the rest of the reclaimed pad area in a manner that protects soil stability and provides for protection from spills, leaks, and contamination, as described above.</p>
Storm Water/Erosion Control	<p>A stormwater management plan has been developed for this well site. Stormwater management practices will be utilized as appropriate and will be identified in the stormwater management plan.</p>

Final Reclamation	<p>Control fugitive dust that could result from reclamation activities. Control noxious weeds by following project specific weed management plans. Use locally adapted seed in reclamation efforts whenever available and approved by the surface owner. Prepare the seedbed appropriately prior to seeding an area. Replace rocks on surface at density of surrounding areas. Seed at times of the year when germination and success is highest. Conduct stormwater inspections and document re-growth of vegetation on disturbed areas. Correct problems areas as they are noted. Verify soil condition with testing. Remediate spills on disturbed areas prior to reclamation. Whenever possible, complete final reclamation activities so that seeding occurs during the first optimal season following plugging and abandonment of wells and closure of facilities. Remove and properly dispose of degraded or unneeded silt fencing and other erosion control materials in a timely fashion. Remove unneeded fencing (e.g., cattle guards, perimeter fencing, etc.) on project sites. Replace degraded or hazardous fencing as needed. Apply weed free mulch and crimp or otherwise treat the mulch so that it remains in place thus preserving seeds and retaining moisture to enhance seed germination and seedling survival. Control weeds in areas surrounding reclamation areas when possible to prevent recolonization of recently reclaimed areas by weed species. When necessary, fence livestock and wildlife out of newly reclaimed areas until reclamation standards have been met and plants are capable of sustaining grazing and trampling. Monitor reclamation efforts as needed and make corrections when necessary. Keep records of inspections for state inspectors to review when requested.</p>
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Total: 10 comment(s)