

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:

400378297

Date Received:

02/07/2013

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:

432790

Expiration Date:

05/05/2016

☐ 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: 10442

Name: HUNTER RIDGE ENERGY SERVICES LLC

Address: 370 17TH STREET #1700

City: DENVER State: CO Zip: 80202

3. Contact Information

Name: JENNIFER LIND

Phone: (720) 876-5890

Fax: (720) 876-6890

email: JENNIFER.LIND@ENCANA.COM

4. Location Identification:

Name: DIVIDE ROAD WATER FACILITY Number: _____

County: GARFIELD

QuarterQuarter: SWSE Section: 26 Township: 4S Range: 96W Meridian: 6 Ground Elevation: 8280

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: 1258 feet FSL, from North or South section line, and 1851 feet FEL, from East or West section line.

Latitude: 39.669514 Longitude: -108.133126 PDOP Reading: 1.7 Date of Measurement: 02/24/2012

Instrument Operator's Name: BRIAN TAGGART

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"/>	Production Pits: <input type="text"/>	Dehydrator Units: <input type="text"/>
Condensate Tanks: <input type="text" value="2"/>	Water Tanks: <input type="text" value="8"/>	Separators: <input type="text" value="3"/>	Electric Motors: <input type="text" value="21"/>	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" value="1"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text" value="6"/>	Flare: <input type="text"/>
Gas Compressors: <input type="text"/>	VOC Combustor: <input type="text" value="1"/>	Oil Tanks: <input type="text"/>	Fuel Tanks: <input type="text"/>	

Other: _____

6. Construction:

Date planned to commence construction: 05/01/2013 Size of disturbed area during construction in acres: 24.50
 Estimated date that interim reclamation will begin: 06/01/2014 Size of location after interim reclamation in acres: 18.60
 Estimated post-construction ground elevation: 8280 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: _____
 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: 4000, public road: 355, above ground utility: 340,
 railroad: 78000, property line: 6500

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: 53. PARACHUTE RHONE LOAMS, 5 TO 30 PERCENT SLOPES

NRCS Map Unit Name: 36. IRIGUL CHANNERY LOAM, 9 TO 50 PERCENT SLOPES

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: 02/24/2012

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: 946, water well: 7302, depth to ground water: 20

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:

PLEASE NOTE THAT ENCANA IS THE SURFACE OWNER AT THIS LOCATION. NEAREST WATER WELL IS 7302' SE - PERMIT #18150-R, NO STATIC WATER LEVEL PROVIDED. THE NEAREST WATER WELL WITH STATIC WATER LEVEL DATA IS APPROX. 9977' SE - PERMIT # 18150-RF, STATIC WATER LEVEL: 20'. THE REFERENCE AREA IS ADJACENT, NORTH OF THE PAD - REFERENCE AREA PHOTOS WILL BE PROVIDED DURING GROWING SEASON. THIS FORM 2A IS FOR A CENTRALIZED WATER FACILITY. A FORM 28 WILL FOLLOW THIS FORM 2A PROVIDING DETAIL FOR THE FACILITY. NO WELLS ARE PROPOSED TO BE DRILLED FROM THIS LOCATION AT THIS TIME.

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

Signed: _____ Date: 02/07/2013 Email: JENNIFER.LIND@ENCANA.COM

Print Name: JENNIFER LIND Title: REGULATORY ANALYST

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: 5/6/2013

**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.

GENERAL SITE COAs:

Notify the COGCC 48 hours prior to start of water facility access road and pad construction, tank construction, start of hydrostatic test, and pipeline testing using Form 42 (the appropriate COGCC individuals will automatically be email notified).

Operator must implement best management practices to contain any unintentional release of fluids at the water facility location, as well as any fluids conveyed via temporary surface or buried permanent pipelines.

Operator must ensure secondary containment for any volume of fluids contained at water facility site during operations (as described on the BMP tab and shown on the Construction Layout Drawings attachment); 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 frac pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.

Operator shall stabilize exposed soils and slopes as an interim measure during operation of tanks.

The location is in an area of moderate to high run-on / run-off potential; therefore the tank pad and access road shall be constructed to prevent any stormwater run-on and/or stormwater run-off. Standard stormwater BMPs must be implemented at this location to insure compliance with CDPHE and COGCC requirements and to prevent any stormwater run-on and /or stormwater runoff.

The nearby downgradient hillsides below the water facility must be periodically monitored for any day-lighting of fluids throughout tank operations.

Additional containment shall be required where temporary or permanent pumps and other necessary equipment or chemicals are located.

Operator will use adequately sized containment devices for all chemicals and/or hazardous materials stored or used on location and the facility shall comply with the operators SPCC Plan.

Strategically apply fugitive dust control measures, including enforcing established speed limits on private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.

Secondary containment shall be constructed as specified in Form 28, and the spray on liner shall be placed on the entire inside of the containment structure. Secondary containment design shall be subject to modification during the review and approval process of the Form 28.

FORM 2A and FORM 28 COAs:

Within 30 calendar days of conclusion of the initial grading and earthwork in Phase I and after the conclusion of Phase IV, operator shall submit as-built drawings, including plan view and cross-sections (with perpendicular axes), prepared and stamped by a Professional Land Surveyor or Professional Engineer and including the tank pad and access road.

No portion of any tanks that will be used to hold liquids shall be constructed on fill material, unless the tank and fill portion of the pad area are designed and certified by a professional engineer, subject to review and approval by the Director prior to construction of the tank. The construction of the tanks shall be supervised by a professional engineer or their agent. Tank construction daily records shall be reviewed and certified by a Professional Engineer; these daily records shall be maintained by the operator and provided to the COGCC if requested.

Operator shall construct, operate and maintain tank(s) in accordance with manufacturer specifications and requirements, as provided and referenced in data submitted with and subsequent to this Form 2A.

Prior to operating any field constructed engineered steel tank, the tank shall be tested by filling with at least 70 percent of operating capacity of fresh water, measured from the base of the tank (not to exceed 2-foot freeboard requirement on tanks constructed with no lid or with a floating top). The operator shall monitor the tank for leaks for a period of 72 hours prior to either draining the tank for repairs or commencing operations. Operator shall notify the COGCC Oil and Gas Location Assessment (OGLA) Specialist for Western Colorado (Dave Kubeczko; email dave.kubeczko@state.co.us) 48 hours prior to start of the hydrotest. Hydrotest monitoring results must be maintained by the operator for the life of the tank and provided to COGCC prior to using the tank (via Form 4 Sundry to Dave Kubeczko; email dave.kubeczko@state.co.us). Hydrostatic testing must be conducted on all tanks annually. Operator may request relief from this COA by proposing an alternative test method for prior COGCC approval on a Form 4 Sundry Notice.

Operator will implement measures to ensure that adequate separation of hydrocarbons from the influent occurs to prevent accumulation of oil on the surface of stored completions fluids. Operator shall also employ a method for monitoring buildup of phase-separated hydrocarbons on the surface of stored fluids.

No oil is permitted on the surface of completions fluids.

Surface water samples (one closest to the water facility location) from the unnamed intermittent stream located north of the facility (if water is present), as well as from Middle Fork Parachute Creek to the east (one upgradient and one downgradient from the water facility location), shall be collected prior to the facility use and every 12 months (until facility closure) to evaluate potential impacts from pit operations. At a minimum, the surface water samples will be analyzed for the following parameters: major cations/anions (chloride, fluoride, sulfate, sodium); total dissolved solids (TDS); and BTEX/DRO. Upon the completed review of the Form 28, additional parameters may be required.

The operator shall submit, and receive approval of, a reuse and recycling plan per Rule 907.a.(3), prior to any offsite reuse/recycling of tank fluids.

Conditions of Approval (COAs) attached to the subsequently approved Form 28 Permit will also apply to this Form 2A permit for this location. If the results of the Form 28 review and approval process creates a conflict with the approval of this Form 2A, the operator shall request relief from the conditions of the Form 2A via a Form 4 Sundry Notice.

In order to comply with Rules 704, 908.d., and 908.g., Hunter Ridge Energy Services LLC will provide financial assurance to the COGCC in the amount of \$3MM prior to commencing construction operations. If the COGCC determines additional assurance is needed upon review and approval of the Form 28, Hunter Ridge Energy Services LLC will secure the additional amount when that determination is made.

At the time of facility closure, operator must submit and receive approval of a Site Investigation and Remediation Workplan, Form 27.

Some documents submitted to Garfield County and included in the Form 2A and/or Form 28 include a 4th and 5th large (206,000 bbl) tank. Addition or construction of any large tanks beyond Tanks T-101, T-105 and 106 are not covered by this Form 2A approval, and addition or construction of any large tanks beyond those and T-102 and T-103, are not covered by the Form 28. Additional tanks will require amending the Oil and Gas Location with a Form 2A and modifying the Centralized E&P Waste Management Facility with a Form 4.

GROUNDWATER and SURFACE WATER BASELINE SAMPLING COA:

Operator shall conduct surface and shallow groundwater monitoring in accordance with Section 15 and 16 of the Form 28 submittals. Sampling program and points may be modified during the review and approval process of the Form 28. At a minimum, analytes will be selected to include waste streams identified in the Form 28 (Appendix 9).

COA 2A2812: Some documents submitted to Garfield County and included in the Form 2A and/or Form 28 include a 4th and 5th large (206,000 bbl) tank. Addition or construction of any large tanks beyond Tanks T-101, T-105 and 106 are not covered by this Form 2A approval, and addition or construction of any large tanks beyond those and T-102 and T-103, are not covered by the Form 28. Additional tanks will require amending the Oil and Gas Location with a Form 2A and modifying the Centralized E&P Waste Management Facility with a Form 4.

PIPELINE COAs:

Operator shall pressure test pipelines in accordance with Rule 1101.e.(1) prior to putting into initial service.

Operator must implement best management practices to contain any unintentional release of fluids along all portions of the surface pipeline route where temporary pumps and other necessary equipment are located.

Operator must routinely inspect the entire length of the surface pipeline to ensure integrity.

Operator must ensure 110 percent secondary containment for any potential volume of fluids that may be released from the surface pipeline at all stream, intermittent stream, ditch, and drainage crossings.

Operator will utilize, to the extent practical, all existing access and other public roads, and/or existing pipeline right-of-ways, when placing/routing the surface pipelines. This will reduce surface disturbance and fragmentation of wildlife habitat in the area.

Attachment Check List

Att Doc Num	Name
1642111	VARIANCE REQUEST
1642117	CORRESPONDENCE
2106526	CONST. LAYOUT DRAWINGS
2106584	CORRESPONDENCE
2106585	CORRESPONDENCE
2106586	CORRESPONDENCE
2106587	CORRESPONDENCE
2106588	CONST. LAYOUT DRAWINGS
2106589	OTHER
2106590	CORRESPONDENCE
2106591	CONST. LAYOUT DRAWINGS
2106592	CORRESPONDENCE
2486411	OTHER
400378297	FORM 2A SUBMITTED
400378333	ACCESS ROAD MAP
400378336	HYDROLOGY MAP
400378342	LOCATION DRAWING
400378343	LOCATION PICTURES
400378345	NRCS MAP UNIT DESC

Total Attach: 19 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	No LGD or Public Comments; Final Review Passed.	5/3/2013 4:48:34 PM

OGLA	Completed OGLA Form 2A review on 05-01-13 by Dave Kubeczko; passed by CPW on 02-13-13 with WMP acceptable; passed OGLA Form 2A review on 05-03-13 by Dave Kubeczko; fluid containment, spill/release BMPs, as-builts, sediment control access road/tank pad, hillside monitoring, dust control, secondary containment, hydrotest, pipeline, pipeline testing, financial assurance, notification, baseline GW and SW sampling, no tank on fill, hydrocarbon separation, no oil on fluids, reuse/recycle plan COAs.	5/3/2013 4:19:00 PM
OGLA	4/24/13: COGCC sent e-mail to operator requesting additional clarification and concurrence with proposed COAs. 4/26/13: COGCC received response back from Operator.	4/29/2013 4:01:06 PM
OGLA	Received from operator 4/25/13 Garfield County Land Use Change Permit. Attached as Doc # 1642117. Note that diagram submitted to Garfield County includes 4th Large Volume Tank in Northeast portion of Location. The 4th tank is not part of this Form 2A submittal.	4/29/2013 3:56:38 PM
CDPHE	CDPHE has reviewed the variance request from Hunter Ridge Energy Services, LLC for only that portion of COGCC Rule 908.b. requiring the COGCC Director's approval prior to the commencement of construction on the facility. CDPHE has no recommended conditions of approval based on public health, safety, welfare, or the environment for this variance request; however, the Air Pollution Control Division (APCD) offers the following comment. The APCD has not completed the permitting for this site. A modification application for an air quality permit was received by the APCD on the same day the variance request was submitted to COGCC. The APCD requires that the air quality permitting process be completed prior to construction commencing on this site.	4/2/2013 2:21:26 PM
OGLA	COGCC modification to proposed COAs. remove requirement to obtain Form 28 approval; change timing reference for security.	3/18/2013 2:44:31 PM
OGLA	CDPHE consultation process is engaged. Kent Kuster has contacted operator regarding application and variance request.	3/18/2013 2:43:57 PM
OGLA	COGCC (G Deranleau) and Encana (J Oates) discussed the variance request. COGCC requested a detailed description of the proposed project phases, especially with respect to portions of the project that will conceivably be undertaken prior to Form 28 approval. COGCC requested that a BMP regarding Geotechnical study and engineering review of site and site design be placed on the Form 2A.	3/18/2013 2:41:34 PM
OGLA	On March 8, operator formally requested variance to Rule 908.b. to allow for commencement of construction of this facility prior to Director approval of the Form 28. The variance request triggers a consultation with CDPHE per Rule 306.d.(1) A.ii.ff. CDPHE received variance request March 8, and was contacted by COGCC March 11, to initiate consultation process.	3/11/2013 7:34:39 AM
LGD	Submitted by Kirby Wynn Pass pending finalization of Garfield County land Use permit process.	2/23/2013 1:34:36 PM
OGLA	Initiated OGLA Form 2A review on 02-13-13 by Dave Kubeczko.	2/13/2013 3:35:56 PM
DOW	This site is located within the boundary of the approved EnCana North Parachute Ranch-CPW Wildlife Mitigation Plan. The BMPs were developed and agreed upon in the consultation and development of the Wildlife Mitigation Plan and Amendment by EnCana and CPW. Hunter Ridge Energy Services LLC has indicated in the Form 2A application that it has agreed to utilize the EnCana Wildlife Resources Matrix in the Wildlife Mitigation Plan for this project which CPW agrees will suffice to address wildlife mitigation concerns. Approved Jim Komatinsky 2-13-2013	2/13/2013 10:58:04 AM
Permit	This location is within the Big Jimmy Unit.	2/11/2013 6:55:22 AM
Permit	This form has passed completeness.	2/8/2013 9:39:57 AM

Total: 14 comment(s)

BMP

<u>Type</u>	<u>Comment</u>
Site Specific	<ul style="list-style-type: none">• Prohibit Encana employees and contractors from carrying projectile weapons on Encana property, except during company organized events.• Prohibit pets on Encana property.• Strategically apply fugitive dust control measures, including enforcing established speed limits on Encana private roads, to reduce fugitive dust and coating of vegetation and deposition in water sources.• Maintain a minimum of five feet of soil cover between the pipeline and the lowest point of the drainage or water body channel.
Construction	<ul style="list-style-type: none">• Install pipeline crossings at right angles to the drainages, wetlands, and perennial water bodies, where appropriate, economically and technically feasible.• Use multiple pipelines placed in a single trench to minimize disturbance and construction, where appropriate, economically and technically feasible.
Wildlife	<ul style="list-style-type: none">• Use enclosed, locking garbage receptacles or implement a strict daily trash removal regime on each temporary or permanent work location.• Perform biological surveys (on-site) for each new development, using the most recent data sets for wildlife and aquatic resources.• Perform pre-disturbance surveys when the on-site inspection and commencement of disturbance occur in different field seasons using the most recent data sets for wildlife and aquatic resources.• Utilize the Encana Wildlife Resources Matrix to identify and document (where appropriate) potential impacts or concerns during the project planning phase for proposed drilling operations and construction of water facilities, roads, pads and pipelines.• Install trench plugs (sloped to allow wildlife or livestock to exit the trench should they enter) at known wildlife or livestock trails to allow safe crossing on long spans of open trench, where appropriate, economically and technically feasible.

Total: 3 comment(s)