

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:

400403083

Date Received:

05/17/2013

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:

**433764**

Expiration Date:

**07/30/2016**

☒ 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: 10388

Name: SWIFT ENERGY OPERATING LLC

Address: 16825 NORTHCHASE DRIVE #400

City: HOUSTON State: TX Zip: 77060

3. Contact Information

Name: Amanda Stenjem

Phone: (970) 382-7256

Fax: (970) 382-7259

email: [stenjem@ecosphere-services.com](mailto:stenjem@ecosphere-services.com)

4. Location Identification:

Name: Waters 34-12-32 Number: 1H

County: LA PLATA

QuarterQuarter: SWNW Section: 32 Township: 34N Range: 12W Meridian: M Ground Elevation: 6919

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: 1399 feet FNL, from North or South section line, and 235 feet FWL, from East or West section line.

Latitude: 37.151270 Longitude: -108.181750 PDOP Reading: 2.2 Date of Measurement: 04/23/2013

Instrument Operator's Name: Scott Weibe

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

Other: Radio Antenna, Gas Meter Station

6. Construction:

Date planned to commence construction: 07/01/2013 Size of disturbed area during construction in acres: 4.44  
Estimated date that interim reclamation will begin: 04/10/2014 Size of location after interim reclamation in acres: 1.00  
Estimated post-construction ground elevation: 6917 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: 05/10/2013  
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: 20110182 ☐ 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: 2520, public road: 5280, above ground utility: 5280,  
railroad: 5280, property line: 235

## 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: 75. Witt loam, 1 to 3 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: 04/01/2013  
List individual species: Musk Thistle on well pad

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): Reseeded agricultural land

### 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: 1273, water well: 1987, depth to ground water: 225  
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 to ground water of nearest water well is unknown, static water level is 305 feet and total well depth is 500 feet. Large leafy Spurge patches occur along access route as well as in general vicinity, the Weed Management Plan submitted with the La Plata County Permit addresses control measures that Swfit will use to prevent the spread of this noxious weed.

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

Signed: \_\_\_\_\_ Date: 05/17/2013 Email: stenjem@ecosphere-services.com

Print Name: Amanda Stenjem Title: Permit Specialist

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: Matthew Lee Director of COGCC Date: 7/31/2013

**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 pad construction, 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).

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

Operator must ensure secondary containment for any volume of fluids contained at well site during drilling and completion operations (as shown on the Proposed BMPs 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 well pad location will be stabilized, inspected at regular intervals (at least every 14 days), and maintained in good condition.

The access road will be constructed as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.

The surface soils and materials are fine-grained and moderately unconsolidated; therefore the access road and pad shall be constructed as quickly as possible and appropriate BMPs need to be in place both during and after well pad construction completion, as well as during all operations. 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.

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.

Operator shall stabilize exposed soils and slopes as an interim measure during drilling and completion operations at this well pad.

The moisture content of any 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, if the drill cuttings are to be left onsite, they must also meet the applicable standards of table 910-1.

If the well is to be hydraulically stimulated, then flowback and stimulation fluids must be sent to tanks, separators, or other containment/filtering equipment before the fluids can be placed into any pipeline, storage vessel, or lined pit (only if an amended Form 2A has been submitted/approved and a Form 15 Earthen Pit Permitted has been submitted/approved) 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.

Berms or other containment devices shall be constructed to be sufficiently impervious (preferably corrugated steel with poly liner) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks.

During all construction, drilling, and completion phases at this location, operator shall be monitoring the wildfire potentials daily and have the appropriate additional equipment and measures in place. This may include smoking bans and additional fire fighting equipment. Operator shall consult with BLM, NFS, La Plata County, and local fire and police departments as necessary.

## GROUNDWATER SAMPLING COA:

Prior to drilling, operator shall sample water wells located around the proposed oil and gas location in accordance with Rule 609. Statewide Groundwater Baseline Sampling and Monitoring and as described below:

- 1) Permit No. 168615 – Janzen, David domestic; TD – 525' bgs; SWL – 390' bgs; FM – bedrock; located approximately 2705' to the E-NE (upgradient). This well is located outside of the regulatory area of interest but Swift has agreed to include sampling and monitoring of this well under Swift's voluntary program following the Rule 609 protocol if sampling is allowed by the owner.
- 2) Permit No. 140579 – Southern Ute Indian Tribe; domestic; TD - 430' bgs; SWL - 150' bgs; FM - bedrock; located approximately 3397' to the SW (downgradient-crossgradient). This well is located outside of the regulatory area of interest but Swift has agreed to include sampling and monitoring of this well under Swift's voluntary program following the Rule 609 protocol if sampling is allowed by the owner. NOTE THAT DWR AND LA PLATA COUNTY HAVE DIFFERENT LOCATIONS FOR THIS WELL. SEE BOTH WELL LOCATIONS IDENTIFIED ON THE ATTACHED SWIFT GENERATED MAP (ONE IN BLUE TO THE SOUTH OF THE WELL AND ONE IN RED TO THE NW OF THE WELL). THIS DISCREPANCY NEEDS TO BE RESOLVED.
- 3) Permit No. 212487 – Brown, Richard W; domestic/stock; TD - 500' bgs; SWL - 305' bgs; bedrock; located approximately 2026' to the W-SW (downgradient). This well is located within the regulatory area of interest and will be subject to mandatory sampling and monitoring by Swift following Rule 609 protocol if sampling is allowed by the owner.
- 4) Permit No. 218540 – Caldwell, Ronald J; domestic; TD - 500' bgs; SWL - 233' bgs; FM - bedrock; located approximately 4028' to the W (downgradient). This well is located outside of the regulatory area of interest but Swift has agreed to include sampling and monitoring of this well under Swift's voluntary program following the Rule 609 protocol if sampling is allowed by the owner.
- 5) Permit No. 212488 – Brown, Richard W; domestic/stock; TD – 500' bgs; SWL – 346' bgs; FM - bedrock; located approximately 4024' to the W-NW (downgradient-crossgradient). This well is located outside of the regulatory area of interest but Swift has agreed to include sampling and monitoring of this well under Swift's voluntary program following the Rule 609 protocol if sampling is allowed by the owner.
- 6) At Swift's discretion, other water wells may also be included in voluntary sampling and monitoring program.

1) Provide 48 hour notice of spud via COGCC form 42

2) Provide cement coverage of 9 5/8" OD casing from TD to surface. Verify cement coverage with Cement Bond Log.

3) Run and submit Directional Survey from TD to kick-off point

4) The operator shall comply with Rule 321, and it shall be the operator's responsibility to ensure that the well bore complies with setback requirements in Commission orders and/or rules prior to producing the well.

5) In the event of borehole problems that require drilling a sidetrack do the following: a) Within 24 hours of occurrence and during normal business hours (8AM-5PM), b) Contact, discuss, & receive approval from COGCC Regional Engineer – Mark Weems, c) Do not delay drilling w/o approval from COGCC Regional Engineer – Mark Weems

6) The operator reports there are no plans to fracture stimulate the well. If plans change, the operator must receive prior approval via form 4 Sundry Notice; 1) Check Notice of Intent: Plan frac the well; 2) Requirements Prior to Receiving Approval to Frac include but may not be limited to the following: A) Demonstrate & report the following to the COGCC Regional Engineer-SW Colorado: a) Frac model and design, b) Safeguards in place to ensure the protection of shallow fresh water aquifers - including i) Offset oil/gas well construction and mechanical integrity assessment, ii) Offset oil/gas well pressure monitoring of production casing and Braden Head, and iii) Offset PA oil/gas well assessment of success in zonal fluids isolation; c) Re-test the offset water wells within six (6) to twelve (12) months following a frac job, which may be done in conjunction with or in addition to Rule 609 (d) (2) Subsequent Monitoring depending on timing and/or sequence of events.

### Attachment Check List

Att Doc Num	Name
2106663	HYDROLOGY MAP
2106696	PROPOSED BMPs
2106697	CORRESPONDENCE
2106698	CORRESPONDENCE
2106706	CORRESPONDENCE
400403083	FORM 2A SUBMITTED
400403125	NRCS MAP UNIT DESC
400419221	EQUIPMENT LIST
400419230	REFERENCE AREA PICTURES
400419253	ACCESS ROAD MAP
400419257	HYDROLOGY MAP
400419260	LOCATION DRAWING
400419264	SENSITIVE AREA MAP
400419266	REFERENCE AREA MAP
400419750	PROPOSED BMPs
400419770	LOCATION PICTURES
400419772	CONSULT NOTICE
400419773	DOW CONSULTATION
400420835	WELL LOCATION PLAT

Total Attach: 19 Files

### General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed.	7/29/2013 11:57:21 AM
Permit	Requested update on status of permit.	7/22/2013 2:03:22 PM
Public Room	<p>PUBLIC COMMENT NO. 1; (6/18/2013 4:25:17 PM); FORM 2#400403147:</p> <p>1) Our family lives adjacent to the Waters well proposed by Swift Energy. Our water well is less than 1/2 mile of the fracking zone and we are within direct impacts of the drilling operation. We have serious concerns about the as yet unknown effects of of fracking at these shallow depths in Mancos Shale on water quality. We are in a dry zone where every drop of water is precious, yet we understand a tremendous amount of water will need to be acquired to frack the well.</p> <p>2) We are concerned about the use of our county roads for hauling first fracking chemicals and later the continual hauling of the oil generated by the well. We have serious concerns about the disturbance to the landscape-weeds, potential fires especially during the drought, and the impacts to air quality (especially CO2 and NOx) generated by the wells in this area.</p> <p>This is an area populated by many families who live here because of the quiet, the open landscapes, and the freedom to live in a save environment. Please consider the disruption to our lives and our health and safety.</p> <p>David and Lisa Hanna 426 Trail Rd Hesperus CO</p> <p>COGCC RESPONSE TO PUBLIC COMMENT NO. 1; (7/11/2013 2:42:56 PM); FORM 2#400403147:</p> <p>1) Per section 5.3 of the Memorandum of Understanding (MOU) between La Plata County and Swift Energy Operating, LLC:</p>	7/11/2013 2:00:02 PM

"Pursuant to 90-123(e) Swift agrees to provide documentation to the County demonstrating a legally obtained source of water to be used for the Exploratory Wells. This documentation shall describe the water source(s) used for construction, drilling, completion, and/or post completion activities of the Exploratory Wells. For example, if water is obtained from a source within the State of Colorado, a decree from the appropriate Colorado water court would satisfy this requirement." This would be required to be submitted with the La Plata County permit application. In addition, the operator has agreed to collect baseline groundwater samples from five (5) nearby water wells. These are listed in the conditions of approval for the Form 2A permit.

2) Rule 205.c. states that operators shall maintain a Chemical Inventory by well site for each Chemical Product used downhole during drilling, completion, and workover operations, excluding hydraulic fracturing treatments, in an amount exceeding five hundred (500) pounds during any quarterly reporting period. Operators shall also maintain a chemical inventory by well site for fuel stored at the well site during drilling, completion, and workover operations, including hydraulic fracturing treatments, in an amount exceeding five hundred (500) pounds during any quarterly reporting period. Hydraulic fracturing chemicals are to be reported in accordance with Rule 205A. HYDRAULIC FRACTURING CHEMICAL DISCLOSURE.

In accordance with Swift's ongoing discussions with the La Plata County Director of Emergency Management and the Fort Lewis Mesa Fire Department (see attached statement regarding Emergency Response), Swift has volunteered to provide periodic "off-duty" Sheriff patrols during periods of high volume traffic (e.g., construction, drilling, and completion phases) ensure compliance with speed limits on state, county, and private roads and to ensure approved access routes are followed.

Wildfire concern and fire protection are already covered under COGCC's 600-Series Rules: SERIES SAFETY REGULATIONS. 601. INTRODUCTION. The rules and regulations in this section are promulgated to protect the health, safety and welfare of the general public during the drilling, completion and operation of oil and gas wells and producing facilities. Rule: 606A. FIRE PREVENTION AND PROTECTION. In addition, COGCC has placed the following condition of approval (COA) on the Form 2A Permit:

"During all construction, drilling, and completion phases at this location, operator shall be monitoring the wildfire potentials daily and have the appropriate additional equipment and measures in place. This may include smoking bans and additional fire fighting equipment. Operator shall consult with BLM and the NFS as necessary."

Air quality. Swift is planning to flare excess gas and will follow COGCC rules. La Plata County has entered into a MOU with Swift regarding these wells which addresses air quality. A copy of the MOU is attached to the Form 2A Permit.

Operator has agreed to use of 95% control efficiency devices for all VOC sources, including flares, and will electrify the sites if it is within 1,320 feet of 3-phase power. The SUIT Environmental Manager and AQ Manager indicated that they do not currently have their minor source program in place (they would only comment if the location is subject to a Title V permit). The air space is EPA/SUIT jurisdiction.

Public Room	<p>PUBLIC COMMENT NO. 2; (6/18/2013 4:12:14 PM); FORM 2#400403147:</p> <p>No source of water, nor expected volume to be used is identified. We suggest that both be added as conditions to this permit, given the high level of interest in these wells. After the fact reporting on FracFocus does little to address this question.</p> <p>Nor is a location for disposal of waste identified - only that it will be off-site. Does this mean all the trucks will be traveling into New Mexico, as was suggested by Swift at a public meeting? If so, that is a lot of road miles with hazardous loads to get there. Will any permit conditions be added to address this?</p> <p>COGCC RESPONSE TO PUBLIC COMMENT NO. 2; (7/11/2013 2:42:56 PM); FORM 2#400403147:</p> <p>1) Per section 5.3 of the Memorandum of Understanding (MOU) between La Plata County and Swift Energy Operating, LLC:  "Pursuant to 90-123(e) Swift agrees to provide documentation to the County demonstrating a legally obtained source of water to be used for the Exploratory Wells. This documentation shall describe the water source(s) used for construction, drilling, completion, and/or post completion activities of the Exploratory Wells. For example, if water is obtained from a source within the State of Colorado, a decree from the appropriate Colorado water court would satisfy this requirement."  This would be required to be submitted with the La Plata County permit application. In addition, the operator has agreed to collected baseline groundwater samples from five (5) nearby water wells. These are listed in the conditions of approval for the Form 2A permit.</p> <p>2) COGCC Rules do not require documentation of truck trips, loads, or offsite disposal. The operator is responsible for maintaining this documentation and requiring that the materials taken offsite meet all applicable transportation regulations.</p> <p>In accordance with Swift's ongoing discussions with the La Plata County Director of Emergency Management and the Fort Lewis Mesa Fire Department (see attached statement regarding Emergency Response), Swift has volunteered to provide periodic "off-duty" Sheriff patrols during periods of high volume traffic (e.g., construction, drilling, and completion phases) ensure compliance with speed limits on state, county, and private roads and to ensure approved access routes are followed.</p>	<p>7/11/2013 1:59:58 PM</p>
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Public Room	<p>PUBLIC COMMENT NO. 3; (6/18/2013 3:48:11 PM); FORM 2#400403147:</p> <p>1) The COGCC website map shows an old 50s/60s well within the same section, but without any perforation information. Has the integrity of this old well been checked?</p> <p>2) As a condition of the permit, will the operator be required to track the number of vehicle trips to and from the site, as this is an area that has little active development. In addition, the access route via 116 west to cherry creek involves a steep downhill and hairpin turn. Will any conditions be attached related to that?</p> <p>COGCC RESPONSE TO PUBLIC COMMENT NO. 3; (7/11/2013 2:42:56 PM); FORM 2#400403147:</p> <p>1) COGCC Rules require that all wells maintain mechanical integrity. The COGCC system to ensure mechanical integrity starts with the well design and permitting. Inspections while drilling are another phase. A review of how the well was actually drilled and completed is also reviewed. Routine inspections then occur over the rest of the operating life of the well.</p> <p>A review of prior inspections reveals no leaks coming from the nearby wells themselves. Some of the inspection reports indicate there are some surface related remediation and reclamation concerns. The inspection supervisor will be contacted and asked to follow up on the adjacent wells. The drilling mud in the proposed Manco-Niobrara horizontal shale well will be drilled close to hydraulic balanced conditions with the fluids in the offset wells which means there will be no fluid flow between wells. Currently, there are no plans by the operator to hydraulically stimulate the proposed shale well. If that changes, the operator in conjunction with the COGCC engineer will review and evaluate all offset wells with regards to mechanical integrity and implement monitoring measures during any hydraulic stimulation operations that may take place.</p> <p>2) COGCC Rules do not require documentation of truck trips, loads, or offsite disposal. The operator is responsible for maintaining this documentation and requiring that the materials taken offsite meet all applicable transportation regulations.</p> <p>In accordance with Swift's ongoing discussions with the La Plata County Director of Emergency Management and the Fort Lewis Mesa Fire Department (see attached statement regarding Emergency Response), Swift has volunteered to provide periodic "off-duty" Sheriff patrols during periods of high volume traffic (e.g., construction, drilling, and completion phases) ensure compliance with speed limits on state, county, and private roads and to ensure approved access routes are followed.</p>	<p>7/11/2013 1:59:56 PM</p>
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Public Room	<p>PUBLIC COMMENT NO. 4; (6/17/2013 9:25:36 AM); FORM 2#400403147:</p> <p>As resident neighbor I am concerned about the fire danger posed by an open flare as proposed by Swift Energy Operating LLC. Fort Lewis Mesa is affected by drought, beetle kill, gusty winds, low humidity, and high temperatures culminating in extreme fire conditions. Fort Lewis Mesa is under red flag fire watch for most of the summer. The lease site identified in the permit is overgrown with dry weed species that tend to spread flames quickly. Bordering the parcel to the south are woodlands of juniper and pinon pines with a large percentage of dead stand after beetle kill. Wind gusts are frequent and often reach 60 mph. I would have liked to attach personal photos of recent and current fires that have caused evacuations as well as loss of property and livestock here. At the time of writing, a fire is burning off County Road 114, very close to the proposed drill site. A flare in this area poses a great risk to neighbors, fire fighters, and wildlife in a sensitive area. For these reasons an assessment if Swift Energy Operating LLC. has the capacity to comply with COGCC Rules 601 et sequ. without relying on public resources for fire mitigation is strongly advised before permit approval.</p> <p>COGCC RESPONSE TO PUBLIC COMMENT NO. 4; (7/11/2013 2:42:56 PM); FORM 2#400403147:</p> <p>Wildfire concern and fire protection are already covered under COGCC's 600-Series Rules: SERIES SAFETY REGULATIONS. 601. INTRODUCTION. The rules and regulations in this section are promulgated to protect the health, safety and welfare of the general public during the drilling, completion and operation of oil and gas wells and producing facilities. Rule: 606A. FIRE PREVENTION AND PROTECTION. In addition, COGCC has placed the following condition of approval (COA) on the Form 2A Permit:</p> <p>"During all construction, drilling, and completion phases at this location, operator shall be monitoring the wildfire potentials daily and have the appropriate additional equipment and measures in place. This may include smoking bans and additional fire fighting equipment. Operator shall consult with BLM and the NFS as necessary." In addition, COGCC has placed the following condition of approval on the Fprm 2A Permit:</p>	7/11/2013 1:59:54 PM
Public Room	<p>PUBLIC COMMENT NO. 5; (6/15/2013 2:10:17 PM); FORM 2#400403147:</p> <p>We are impacted property owners in the area of interest for development of pilot bores by Swift Energy. Our address is 1362 CR 126 Hesperus, CO 81326. Our property is located within the envelope of the 2nd proposed well (Kikel) that is not currently in the permit process, but our concerns are similar for both wells. These oil gas wells are being developed at the shallowest depth in Colorado, and are new to the Mancos formation.</p> <p>1) Concerns raised include both quantity and quality of the existing water supply for irrigation rights and domestic well permits. There has been no plan submitted to our knowledge that identify the tributary or non-tributary nature of any produced water, nor has the source of water for development of these production wells been published. The La Plata River and Cherry Creek basin are one of the most water short regions of the state, and subject to daily curtailment of ditches as well as an Interstate Compact. Issues of injury to existing uses should be addressed prior to any development of these wells is allowed by the COGCC.</p> <p>2) Swift has also indicated previously that they intend to use high pressure hydraulic fracturing for the development of horizontal bores, but has now published comments in the local newspapers that they may not use this method. It is our understanding from COGCC staff that this permit will allow fracking on a 48 hour notice by the company to COGCC with no public notice required. We feel all land owners and water users in the basin should be able to provide comments on the potential adverse impacts to domestic wells in the area prior to being given approval to proceed. These domestic groundwater uses include the Marvel (Community Spring) and the Elementary school that relies on groundwater down gradient to these wells. An extensive groundwater model should be developed prior to drilling of either of the two pilot wells being proposed to address the impacts to all water use, groundwater and surface water, to verify that no change in the hydrology is occurring that would impact the water quality, timing of flows and return flows, and quantity. This model</p>	7/11/2013 1:59:52 PM

should also be used to clearly establish whether the produced water from these wells is tributary or non-tributary in nature pursuant to Colorado Water law and state statutes.

3) Air quality should be also considered since the company recently announced that they intend to burn off any natural gas that is emitted from these sources. Jurisdictional oversight is a concern and vague at best, due to much of this region being within the outer boundary of the Southern Ute Tribe. Please proceed cautiously with the permitting of this formation, due to the shallow depth and the many unknown impacts that surround the development of the reserves.

COGCC RESPONSE TO PUBLIC COMMENT NO. 5; (7/11/2013 2:42:56 PM); FORM 2#400403147:

1) Per section 5.3 of the Memorandum of Understanding (MOU) between La Plata County and Swift Energy Operating, LLC:

"Pursuant to 90-123(e) Swift agrees to provide documentation to the County demonstrating a legally obtained source of water to be used for the Exploratory Wells. This documentation shall describe the water source(s) used for construction, drilling, completion, and/or post completion activities of the Exploratory Wells. For example, if water is obtained from a source within the State of Colorado, a decree from the appropriate Colorado water court would satisfy this requirement." This would be required to be submitted with the La Plata County permit application.

2) Rule 205.c. states that operators shall maintain a Chemical Inventory by well site for each Chemical Product used downhole during drilling, completion, and workover operations, excluding hydraulic fracturing treatments, in an amount exceeding five hundred (500) pounds during any quarterly reporting period. Operators shall also maintain a chemical inventory by well site for fuel stored at the well site during drilling, completion, and workover operations, including hydraulic fracturing treatments, in an amount exceeding five hundred (500) pounds during any quarterly reporting period. Hydraulic fracturing chemicals are to be reported in accordance with Rule 205A. HYDRAULIC FRACTURING CHEMICAL DISCLOSURE. The COGCC Rules do not require groundwater or air modeling. The operator has agreed to collect baseline groundwater samples from five (5) nearby water wells. These are listed in the conditions of approval for the Form 2A permit.

3) Air quality. Swift is planning to flare excess gas and will follow our rules. La Plata County has entered into a MOU with Swift regarding these wells which addresses air quality. A copy of the MOU is attached to the Form 2A Permit. Operator has agreed to use of 95% control efficiency devices for all VOC sources, including flares, and will electrify the sites if it is within 1,320 feet of 3-phase power. The SUT Environmental Manager and AQ Manager indicated that they do not currently have their minor source program in place (they would only comment if the location is subject to a Title V permit). The air space is EPA/SUT jurisdiction.

Public Room	<p>PUBLIC COMMENT NO. 6; (5/30/2013 10:09:55 AM); Form 2#400403147:</p> <p>I am a property owner (William Searfus) of 3937 CR 119 and I have a water well. We are too close to this without me raising my concerns. Our only access to water on Red Mesa (above Alkalai Gulch), is WELLS and this should be thoroughly examined before proceeding.</p> <p>COGCC RESPONSE TO PUBLIC COMMENT NO. 6; (7/11/2013 2:42:56 PM); FORM 2#400403147:</p> <p>Per section 5.3 of the Memorandum of Understanding (MOU) between La Plata County and Swift Energy Operating, LLC:  "Pursuant to 90-123(e) Swift agrees to provide documentation to the County demonstrating a legally obtained source of water to be used for the Exploratory Wells. This documentation shall describe the water source(s) used for construction, drilling, completion, and/or post completion activities of the Exploratory Wells. For example, if water is obtained from a source within the State of Colorado, a decree from the appropriate Colorado water court would satisfy this requirement."  This would be required to be submitted with the La Plata County permit application. In addition, the operator has agreed to collected baseline groundwater samples from five (5) nearby water wells. These are listed in the conditions of approval for the Form 2A permit.</p>	7/11/2013 1:59:47 PM
Public Room	<p>PUBLIC COMMENT NO. 7; (6/17/2013 3:50:09 PM); FORM 2A#400403083:</p> <p>I am very concerned about this application and any use of fracking in this water-critical, drought-ridden area. Swift has not determined where they will get the water from and how they will compensate any farmers or residents for contaminated wells or accidents involving their subcontractors. I think this process is still new and risky, despite all the money it has generated. No amount of money can bring back a ruined environment. I am completely opposed to this project.</p> <p>COGCC RESPONSE TO PUBLIC COMMENT NO. 7; (7/11/2013 2:42:56 PM); FORM 2A#400403083:</p> <p>Per section 5.3 of the Memorandum of Understanding (MOU) between La Plata County and Swift Energy Operating, LLC:  "Pursuant to 90-123(e) Swift agrees to provide documentation to the County demonstrating a legally obtained source of water to be used for the Exploratory Wells. This documentation shall describe the water source(s) used for construction, drilling, completion, and/or post completion activities of the Exploratory Wells. For example, if water is obtained from a source within the State of Colorado, a decree from the appropriate Colorado water court would satisfy this requirement."  This would be required to be submitted with the La Plata County permit application. Mitigation of impacts from releases will be evaluated by the COGCC (and CDPHE/La Plata County, if appropriate) if they occur.</p>	7/11/2013 1:59:44 PM
DOW	<p>CPW conducted a site visit with the COGCC, La Plata County, and operators agent on June 11, 2013. At the onsite we discussed ways to avoid, minimize, and mitigate impacts to wildlife resources. Swift voluntarily agreed to conduct a burrowing owl survey at the location prior to surface disturbing activities, avoid construction between March 1- June 15, and to disinfect any equipment that has been used in water bodies to minimizes the spread of aquatic nuisance species.</p>	6/28/2013 12:10:12 PM

OGLA	Initiated/Completed OGLA Form 2A review on 06-18-13 by Dave Kubeczko; requested acknowledgement of fluid containment, spill/release BMPs, tank berming, flowback to tanks, sediment control access road, GW baseline, notification, dust control, and cuttings low moisture content COAs from operator on 06-18-13; received edits to the GW sampling COA on 06-18-13; resent COAs to operator for concurrence of other COAs on 06-27-13; received acknowledgement of COAs from operator on 06-28-13; passed by CPW on 06-28-13 with operator agreed to BMPs acceptable; addressed public comments for Form 2A#400403083 and Form 2#400403147 (dated 05-30-13 to 06-17-13) after each comment on 07-26-13; passed OGLA Form 2A review on 07-29-13 by Dave Kubeczko; fluid containment, spill/release BMPs, tank berming, flowback to tanks, sediment control access road, GW baseline, notification, dust control, and cuttings low moisture content COAs.	6/18/2013 10:26:52 AM
Public	I am very concerned about this application and any use of fracking in this water-critical, drought-ridden area. Swift has not determined where they will get the water from and how they will compensate any farmers or residents for contaminated wells or accidents involving their subcontractors. I think this process is still new and risky, despite all the money it has generated. No amount of money can bring back a ruined environment. I am completely opposed to this project.	6/17/2013 3:50:09 PM
LGD	The La Plata County LGD spoke with a representative of CDPHE regarding consultation on the Stormwater Management Plan (SWMP). It was explained that CDPHE does not provide site specific recommendations on stormwater plans, rather, reviewsthe stormwater management plan to ensure that best management practices are being proposed by the operator. It was explained that stormwater management plans must be submitted to CDPHE no less than 10 days prior to construction, and when the plan is submitted then CDPHE staff will review the plan to ensure that BMPs are proposed. Based on this information, CDPHE would not provide site specific recommendations on the stormwater management plan.	6/12/2013 11:05:40 AM
CDPHE	Consultation occurred with the La Plata County LGD on the Swift Energy Waters 34-12-32 wellsite concerning the Form 2A stormwater management plan and the associated Form 2 for discussion on practices to minimize the potential for ground contamination during the fracing process. CDPHE and La Plata County agree that no additional protective measures are needed at this time. Earlier CDPHE did remind Swift Energy representatives that stormwater management plan was needed for the Waters 34-12-32 wellsite and was assured that the stormwater management plan was being submitted.	6/12/2013 9:26:41 AM
LGD	The La Plata County LGD requests that the Director extend the public comment period on this permit application a full ten (10) days per Rule 305c.  The La Plata County LGD requests consultation from Colorado Department of Public Health and Environment (CDPHE) on this permit per Rule 306b.(2). The proposed well pad for the exploratory well is larger than typical Coalbed Methane or Conventional wells seen in the area, due to the need to accommodate more equipment for the proposed shale development. Based on this, La Plata County requests CDPHE consultation relative to stormwater (erosion and sediment) control for this well location since CDPHE has stormwater authority. The applicant has submitted a detailed stormwater management plan, which CDPHE could review to determine adequacy.	5/21/2013 5:46:20 PM
Permit	Form 2 returned to operator for multiple areas needing revisions.	5/21/2013 9:55:30 AM
Permit	This form has passed completeness.	5/20/2013 1:25:20 PM
Permit	Returned to draft for the following: Contact not an agent for operator. Rename "other" to location drawing. Remove extra pages on well location plat. Right to construct is by O&G lease. Remove Surface bond & bond #.	5/20/2013 11:05:19 AM

Total: 18 comment(s)

## BMP

<u>Type</u>	<u>Comment</u>
General Housekeeping	Erosion control barriers, namely fiber wattles, will be placed at the edge of disturbance where necessary. Care will be taken to avoid disturbance, outside of the project area unless it is deemed necessary for equipment stability, fire prevention, and/or other safety requirements.
Wildlife	Swift will follow the COGCC Protection of Wildlife, Rule 1203: General Operating Requirements in Sensitive Wildlife Habitat and Restricted Surface Occupancy Areas. Visual mitigation measures implemented will also act as wildlife mitigation measures.
Wildlife	<p>1) SWIFT WILL CONDUCT A BURROWING OWL SURVEY PRIOR TO JULY 15, 2013 OR PRIOR TO INITIATION OF THE PAD CONSTRUCTION, WHICHEVER COMES FIRST.</p> <p>2) DUE TO TIMING ISSUES REGARDING THE COUNTY PERMIT SUBMITTAL, SWIFT WILL NOT BE STARTING CONSTRUCTION UNTIL AFTER THE SPECIFIED JUNE 15, 2013 TIME PERIOD.</p> <p>3) SWIFT HAS REVIEWED SEVERAL ACCESS ROUTES TO THE LOCATION AND HAS SELECTED THE ACCESS ROUTE ALONG CHERRY CREEK DUE TO TRAFFIC CONCERNS AS DISCUSSED AND APPROVED BY LA PLATA COUNTY PUBLIC WORKS AND CDOT. ASSUMING THAT OUR DRILLING OPERATIONS START ON OR ABOUT AUGUST 15, 2013, THE LEVEL OF TRAFFIC DURING THE PERIOD OF OCTOBER THROUGH APRIL SHOULD BE GREATLY REDUCED. IN ADDITION, DURING PERIODS OF ELEVATED TRAFFIC, SWIFT PLANS TO PERIODICALLY HIRE OFF DUTY SHERIFF DEPARTMENT DEPUTIES TO ASSIST WITH TRAFFIC ENFORCEMENT AND MONITORING OF CONTRACT TRAFFIC ALONG THIS CORRIDOR. THIS PLAN PLUS PERIODIC MEETINGS WITH OUR CONTRACTORS TO RE-ENFORCE SAFETY AND TRAFFIC CONCERNS SHOULD MINIMIZE COLLISION MORTALITY ON BIG GAME.</p> <p>4) CURRENT WATER APPROPRIATION PLANS ARE TO TRUCK TREATED CITY WATER FROM NEW MEXICO. DISINFECTION WILL BE IMPLEMENTED AS A BEST MANAGEMENT PRACTICE PRIOR TO USING EQUIPMENT IN OTHER WATER BODIES.</p> <p>5) FUTURE RAPTOR SURVEYS WILL EXTEND TO 1/2 MILE FROM THE PROPOSED LOCATIONS.</p>
Storm Water/Erosion Control	<p>Fiber wattles will encompass the entire periphery of the disturbed area.</p> <p>Tackifier will be added to the stored topsoil piles and areas of interim reclamation to inhibit erosion. The slope ratio of stockpiled soils will not exceed 3:1.</p> <p>Stormwater BMPs will be maintained and/or amended by Swift as site conditions change during the construction and reclamation process.</p>
Construction	<p>All equipment will be stored within the lease/right-of-way (ROW) area of disturbance. Top soil will be removed to create a level pad for drilling and an access road. The Drilling Facility Layout Map displays the areas that will be used for storage of building materials, equipment, and soil.</p> <p>Vegetation that does not need to be removed will be avoided during construction and removed vegetation will be cut near ground level, leaving the root system intact except where permanent facilities, roads, or ROWs require the complete removal of vegetation.</p>
Interim Reclamation	Disturbed portions of the well pad not necessary for operation and maintenance will be re-contoured and roughened to blend into the surrounding terrain. In addition, a landowner approved seed mix will be applied at the appropriate time using seeding and mulching methods outlined in the Regional Stormwater Plan (RSWMP). Weed control will be employed to help facilitate vegetation reestablishment.
Final Reclamation	All disturbed areas that are not necessary for operational procedures will be restored to at least 80 percent of pre-disturbance vegetative cover.

Total: 7 comment(s)