

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:

400402470

Date Received:

04/10/2013

Oil and Gas Location Assessment

☐ New Location

☒ Amend Existing Location Location#: 322012

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:

322012

Expiration Date:

09/10/2016

☒ 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: 10310

Name: FRAM OPERATING LLC

Address: 6 SOUTH TEJON STREET #400

City: COLORADO SPRINGS State: CO Zip: 80903

3. Contact Information

Name: David Cook

Phone: (719) 355-1320

Fax: (719) 314-1362

email: dave@framamericas.com

4. Location Identification:

Name: Hamilton

Number: 33-3-A

County: DELTA

QuarterQuarter: LOT 4 Section: 33 Township: 13S Range: 95W Meridian: 6 Ground Elevation: 5864

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: 382 feet FNL, from North or South section line, and 484 feet FWL, from East or West section line.

Latitude: 38.885360 Longitude: -108.026580 PDOP Reading: 2.3 Date of Measurement: 10/26/2012

Instrument Operator's Name: Andrue Floyd

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="2"/>	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="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"/>	Gas Pipeline: <input type="text"/>	Oil Pipeline: <input type="text"/>	Water Pipeline: <input type="text"/>	Flare: <input type="text"/>
Gas Compressors: <input type="text"/>	VOC Combustor: <input type="text"/>	Oil Tanks: <input type="text" value="2"/>	Fuel Tanks: <input type="text"/>	

Other: _____

6. Construction:

Date planned to commence construction: 07/15/2013 Size of disturbed area during construction in acres: 1.76
 Estimated date that interim reclamation will begin: 03/01/2014 Size of location after interim reclamation in acres: 1.01
 Estimated post-construction ground elevation: 5864 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: 10/26/2013
 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: 20110193 ☐ 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: 5808, public road: 2112, above ground utility: 4968,
 railroad: 49104, property line: 382

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): Reclaimed location
 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: 80. Utaline-Torriorhents complex

NRCS Map Unit Name: 3. Agua Fria stony loam, 3 to 12 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: 10/26/2012

List individual species: Brome, Sage Brush, Orchard Grass

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: 1340, water well: 1814, depth to ground water: 33

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:

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

Signed: Date: 04/10/2013 Email: dave@framamericas.com

Print Name: David Cook Title: 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: 9/11/2013

**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.

<u>COA Type</u>	<u>Description</u>
	<p>SITE SPECIFIC COAs:</p> <p>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).</p> <p>Reserve pit, or any other pit used to contain/hold fluids, if constructed, must be lined or a closed loop system (as indicated by operator on the Form 2A Permit application) must be implemented during drilling.</p> <p>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.</p> <p>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 and stated in the BMP tab of the Form 2A); 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.</p> <p>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.</p> <p>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.</p> <p>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.</p>
	<p>BASELINE GROUNDWATER/SURFACE WATER TESTING COA:</p> <p>Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.</p>

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2106598	NRCS MAP UNIT DESC
2106631	CORRESPONDENCE
2157157	MULTI-WELL PLAN
400402470	FORM 2A SUBMITTED
400407014	LOCATION PICTURES
400407015	LOCATION DRAWING
400407017	ACCESS ROAD MAP
400407018	REFERENCE AREA MAP
400407019	REFERENCE AREA PICTURES
400407020	CONST. LAYOUT DRAWINGS
400407021	PROPOSED BMPs
400407549	OTHER
400409441	NRCS MAP UNIT DESC
400409442	HYDROLOGY MAP

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Oper. submitted sundry for as built on existing well on location. LGD comments on irrigation ditches near this location resulted in location drawing being submitted with canal noted. No public comments. Final Review--passed.	7/17/2013 9:52:05 AM
Permit	Attached MWP.	7/8/2013 1:43:52 PM
Permit	Corrected 2A to "amended 2A" for location ID#322012. Corrected # of wells to "2". Oper. submitted as drilled GPS coordinates for existing SI well on location. Req'd MWP and sundry to report as-drilled for existing well.	7/1/2013 11:53:54 AM
Final Review	On Hold - need GPS for nearby well. Need to combine historical locations - Form 2A amends existing location.	6/18/2013 4:09:38 PM
OGLA	Initiated/Completed OGLA Form 2A review on 06-09-13 by Dave Kubeczko; requested acknowledgement of fluid containment, spill/release BMPs, tank berming, flowback to tanks, GW baseline sampling, notification, and cuttings low moisture content COAs from operator on 06-09-13; received acknowledgement of COAs from operator on 06-11-13; changed to sensitive area due to shallow GW (33' bgs); waived by CPW on 06-05-13; Fram confirmed that this location will be part of the WMP; passed OGLA Form 2A review on 06-11-13 by Dave Kubeczko; fluid containment, spill/release BMPs, tank berming, flowback to tanks, GW baseline sampling, notification, and cuttings low moisture content COAs.	3/9/2013 5:57:01 PM

LGD	<p>COGCC FORM2ACOGCCDOC.400402470</p> <p>LGD comments</p> <p>FRAM Operating, LLC</p> <p>30 East Pikes Peak Ave., Suite 283</p> <p>Colorado Springs, CO 80903</p> <p>Hamilton33-3 A</p> <p>NWNWNW Section 33T13SR95W</p> <p>Delta County</p> <p>The proposed well access road and site location were previously used by another operator (Aspen Operating, Inc.) when drilling a well in 2006. The earlier well is shut in. The location was also the site of a well drilled in 1981. Delta County in 2006 reviewed issues similar to those addressed in Form 2A and submitted comments at that time. Delta County then entered into an operation agreement with Aspen addressing County related requirements. The earlier review along with recent visits to the location and access roads (both on private property) have revealed little additional concerns with this site or access that are not addressed in that earlier review. this Form 2A, and these comments.</p> <p>Delta County is always concerned about water issues (among others) and the potential impacts any operation can have on water quality and quantity. Part of that concern can be relieved with an assurance the proposed operations also do not damage water delivery or storage structures (ditches, canals, pipelines, storage ponds, etc.) or otherwise interfere with or interrupt any water delivery. COGCC rules series (303, d, 3, C) asks the applicant to place improvements within 400 feet of the location on a scale drawing including permanent canals and ditches through which water may flow. The application exhibits do not show the ditches within 400 feet existing to the south of the location that are used to irrigate the adjacent field.</p> <p>The applicant and surface owner are (it is believed) related through ownership. The ditches are 200 +/- feet from the site and in this case away from any necessary site preparation. Also, there probably have already been discussions between the parties about maintaining these ditches at the top of the nearby field. The applicant did not submit a copy of a surface use agreement and due to the relationship with the surface owner, the applicant probably thought a surface use agreement unnecessary. The direct relationship between the applicant and the surface owner is not the usual case, however. Delta County raises this concern so it will not be omitted and therefore properly addressed in any future Delta County oil and gas operations requiring permits from the COGCC.</p> <p>Bruce C. Bertram, LGD for Delta County</p>	5/9/2013 5:14:28 PM
Permit	Pending other approvals. Black bear, elk winter are involved. Pass 6/11/13.	4/30/2013 1:47:53 PM
Permit	This form has passed completeness.	4/25/2013 2:55:54 PM
Permit	<p>RTD:</p> <ol style="list-style-type: none"> 1) Hydrology map needs 1000' radius. 2) SWH for elk winter must be checked. 3) Delete comment about previous 2A prior to 2009. There were no 2A's prior to 2009. Since this location has been built by different operator, we may decide to do an amended 2A of the existing location. 4) NRCS map unit is #80. Attach NRCS description, not copy of soil map on our website. 5) Delete gas and surface surety bonds. 6) On the surface and minerals tab, since the surface owner is the mineral owner, and has committed to a lease, the right to construct is granted by: oil and gas lease. There is no SUA attached. 	4/24/2013 10:40:01 AM
Permit	Returned to draft and directed operator to area permitter.	4/11/2013 7:17:49 AM

Total: 10 comment(s)

Best Management Practices

No	BMP/COA Type	Description
1	Wildlife	"CPW, Operator, Delta County LGD, COGCC, and surface owner conducted an onsite inspection of the location on 5/21/2013. CPW is currently in negotiations with the operator on a comprehensive Wildlife Mitigation Plan (WMP) to address development impacts to wildlife and wildlife habitat. The operator has agreed to include this facility in the WMP. Those measures that are agreed upon in the WMP may apply to this facility upon completion of the WMP."
2	Storm Water/Erosion Control	See location drawings in attached Timberline Engineering & Land Surveying package Sheet 9/18. Also, will be complying with Delta County Regulation for Specific Developments, Appendix 1 [Performance Standards for Oil and Gas Facilities/Operations and Related Oil and Gas Waste Facilities].

Total: 2 comment(s)