

FORM
2A

Rev
08/13

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:

400481874

Date Received:

11/05/2013

Oil and Gas Location Assessment

New Location Refile Amend Existing Location Location#: 311924

Submit signed original form. This Oil and Gas Location Assessment is to be submitted to the COGCC for approval prior to any ground disturbance activity associated with oil and gas operations. Approval of this Oil and Gas Location 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. Please see the COGCC website at <http://cogcc.state.co.us/> for all accompanying information pertinent this Oil and Gas Location Assessment.

Location ID:

311924

Expiration Date:

This location assessment is included as part of a permit application.

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.

Operator

Operator Number: 26625

Name: ELM RIDGE EXPLORATION CO LLC

Address: 12225 GREENVILLE AVE STE 950

City: DALLAS State: TX Zip: 75243-9362

Contact Information

Name: Terry Lindeman

Phone: (505) 632-3476

Fax: (505) 632-8151

email: tlindeman@elmridge.net

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20100131

Gas Facility Surety ID: _____

Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: IGE

Number: 127

County: LA PLATA

Quarter: SE/SE Section: 8 Township: 33N Range: 8W Meridian: N Ground Elevation: 6678

Define a single point as a location reference for the facility location. When the location is to be used as a well site then the point shall be a well location.

Footage at surface: 1243 feet FSL from North or South section line

990 feet FEL from East or West section line

Latitude: 37.114700 Longitude: -107.735340

PDOP Reading: 3.0 Date of Measurement: 05/09/2007

Instrument Operator's Name: Scott Weibe

RELATED REMOTE LOCATIONS

(Enter as many Related Locations as necessary. Enter the Form 2A document # only if there is no established COGCC Location ID#)

This proposed Oil and Gas Location is:

LOCATION ID # FORM 2A DOC #

Well Site is served by Production Facilities

311924

FACILITIES

Indicate the number of each type of oil and gas facility planned on location

Wells <u>2</u>	Oil Tanks _____	Condensate Tanks _____	Water Tanks <u>4</u>	Buried Produced Water Vaults _____
Drilling Pits _____	Production Pits _____	Special Purpose Pits _____	Multi-Well Pits _____	Temporary Large Volume Above Ground Tanks _____
Pump Jacks _____	Separators <u>2</u>	Injection Pumps _____	Cavity Pumps _____	
Gas or Diesel Motors _____	Electric Motors _____	Electric Generators _____	Fuel Tanks _____	Gas Compressors _____
Dehydrator Units _____	Vapor Recovery Unit _____	VOC Combustor _____	Flare _____	LACT Unit _____
				Pigging Station _____

OTHER FACILITIES

Other Facility Type

Number

Meter House

2

Meter Run

2

Per Rule 303.b.(3)C, description of all oil, gas, and/or water pipelines:

Existing gas line location-tie-in on pad. No water lines. Electric motors will be used if electricity is available.

CONSTRUCTION

Date planned to commence construction: 03/01/2014 Size of disturbed area during construction in acres: 0.31

Estimated date that interim reclamation will begin: 06/01/2014 Size of location after interim reclamation in acres: 0.98

Estimated post-construction ground elevation: 6678

DRILLING PROGRAM

Will a closed loop system be used for drilling fluids: Yes

Is H₂S anticipated? No

Will salt sections be encountered during drilling: No

Will salt based mud (>15,000 ppm Cl) be used? No

Will oil based drilling fluids be used? No

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE

Drilling Fluids Disposal Method: Recycle/reuse

Cutting Disposal: OFFSITE

Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Beneficial reuse or land application plan submitted? No

Reuse Facility ID: _____ or Document Number: _____

Centralized E&P Waste Management Facility ID, if applicable: _____

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: James Trent Burton
Address: 1221 CR 311

Phone: 970-563-4351
Fax: none

Address: _____
City: Ignacio State: CO Zip: 81137

Email: none

Surface Owner: Fee State Federal Indian

Check all that apply. The Surface Owner: is the mineral owner
 is committed to an oil and Gas Lease
has signed the Oil and Gas Lease
is the applicant

The Mineral Owner beneath this Oil and Gas Location is: Fee State Federal Indian

The Minerals beneath this Oil and Gas Location will be developed from or produced to this Oil and Gas Location: Yes

The right to construct this Oil and Gas Location is granted by: Surface Use Agreement

Surface damage assurance if no agreement is in place: _____ Surface Surety ID: _____

Date of Rule 306 surface owner consultation 06/15/2007

CURRENT AND FUTURE LAND USE

Current Land Use (Check all that apply):

Crop Land:	Irrigated	<input checked="" type="checkbox"/> Dry land	Improved Pasture	Hay Meadow	CRP
Non-Crop Land:	Rangeland	Timber	Recreational	Other (describe): _____	
Subdivided:	Industrial	Commercial	Residential		

Future Land Use (Check all that apply):

Crop Land:	Irrigated	<input checked="" type="checkbox"/> Dry land	Improved Pasture	Hay Meadow	CRP
Non-Crop Land:	Rangeland	Timber	Recreational	Other (describe): _____	
Subdivided:	Industrial	Commercial	Residential		

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 541 Feet
Building Unit: 604 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 990 Feet
Above Ground Utility: 331 Feet
Railroad: 5280 Feet
Property Line: 78 Feet

INSTRUCTIONS:

- All measurements shall be provided from center of nearest Well or edge of nearest Production Facility to nearest of each cultural feature as described in Rule 303.b.(3)A.
- Enter 5280 for distance greater than 1 mile.
- Building - nearest building of any type. If nearest Building is a Building Unit, enter same distance for both.
- Building Unit, High Occupancy Building Unit, and Designated Outside Activity Area - as defined in 100-Series Rules.

DESIGNATED SETBACK LOCATION INFORMATION

Check all that apply. This location is within a: Buffer Zone
 Exception Zone
 Urban Mitigation Area

- Buffer Zone - as described in Rule 604.a.(2), within 1,000' of a Building Unit.
- Exception Zone - as described in Rule 604.a.(1), within 500' of a Building Unit.
- Urban Mitigation Area - as defined in 100-Series Rules.

Pre-application Notifications (required if location is within 1,000 feet of a building unit):

Date of Rule 305.a.(1) Urban Mitigation Area Notification to Local Government: _____

Date of Rule 305.a.(2) Buffer Zone Notification to Building Unit Owners: 09/23/2013

SOIL

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.org/> 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: Arboles Clay, 3 to 12 percent slopes

NRCS Map Unit Name: _____

NRCS Map Unit Name: _____

PLANT COMMUNITY:

Complete this section only if any portion of the disturbed area of the location's current land use is on non-crop land.

Are noxious weeds present: Yes No

Plant species from: NRCS or, field observation Date of observation: _____

List individual species: Western wheatgrass, big sagebrush, blue gramma, bottleneck squirreltail, India ricegrass, muttongrass, prarie junegrass, Rocky Mountain Juniper, rubber rabbitbrush, twoneedle pinion

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): _____

WATER RESOURCES

Is this a sensitive area: No Yes

Distance to nearest

downgradient surface water feature: 1000 Feet

water well: 645 Feet

Estimated depth to ground water at Oil and Gas Location 76 Feet

Basis for depth to groundwater and sensitive area determination:

Distance to closest water well (on Burton property) measured from wellhead to nearest water well using measurement tools on La Plata County GIS website
Downgradient surface water feature measured from wellhead to nearest drainage shown to lie to the Southwest of the well location as determined by using the topography feature and measurement tools on La Plata County GIS website.
Ground water level determined by averaging the static water table data prior to test from wells in the vicinity as shown on DWR reports. Well #130623 located on parcel # 595308400155 owned by Susano Silva-static water levels = 17'; well #71249 located on Parcel #595308400157 owned by James Burton, static water level = 160'; well #15564 located on parcel #595308400152 owned by David Speelman, static water level = 60'; well # 115717 located on parcel #595308400090 owned by Roger P. Evans, static water level = 70'.

Is the location in a riparian area: No Yes

Was an Army Corps of Engineers Section 404 permit filed No Yes If yes attach permit.

Is the location within a Rule 317B Surface Water Supply Area buffer No 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: _____

GROUNDWATER BASELINE SAMPLING AND MONITORING AND WATER WELL SAMPLING

Water well sampling required per Rule 608

DESIGNATED SETBACK LOCATION EXCEPTIONS

Check all that apply:

Rule 604.a.(1)A. Exception Zone (within 500' of Building Unit)

Rule 604.b.(1)A. Exception Location (existing or approved Oil & Gas Location now within a Designated Setback as a result of Rule 604.a.)

Rule 604.b.(1)B. Exception Location (existing or approved Oil & Gas Location is within a Designated Setback due to Building Unit construction after Location approval)

Rule 604.b.(2) Exception Location (SUA or site-specific development plan executed on or before August 1, 2013)

Rule 604.b.(3) Exception Location (Building Units constructed after August 1, 2013 within setback per an SUA or site-specific development plan)

RULE 502.b VARIANCE REQUEST

Rule 502.b. Variance Request from COGCC Rule or Spacing Order Number _____

ALL exceptions and variances require attached Request Letter(s). Refer to applicable rule for additional required attachments (e.g. waivers, certifications, SUAs).

OPERATOR COMMENTS AND SUBMITTAL

Comments Please note that the proposed IGE 127 well is offsetting the existing Olson Smith Gas Unit #2 well which is a FRLDC well located 1190 FSL 990 FEL.

On both the COGCC GIS site and the La Plata County GIS site, the Olson Smith Gas Unit #2 is located where the Olson-Smith Gas Unit #1 should be shown and the Olson Smith Gas Unit #1 which is a MVRD well (990 FSL 990 FEL) is located where the Olson-Smith Gas Unit #2 is shown.

The location coordinates on the Scout cards verify this.

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

Signed: Robert Joyce Date: 11/05/2013 Email: jl@animas.net

Print Name: Robert Joyce Title: Agent

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

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.

COA Type	Description
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Best Management Practices

No	BMP/COA Type	Description
1	Community Outreach and Notification	Rule 604.a (2)-Notices sent 9-24-13-Certified Mail/Return Receipt Requested. All notices (with the exception of Speelman who has been out of the country) were delivered and return receipts were signed by addressee and returned.
2	Pre-Construction	Rule 604.c.(2)W-Pre-construction consultation occurred at the time the Surface Damage Agreement was negotiated. In subsequent conversations with the surface owner, James Burton, no changes were requested and none are anticipated.
3	Traffic control	Rule 604.c.(2)D- Access is off County Road 311, approximately 1.2 miles North of its intersection with County Road 318. Access gate is on the West side of the County Road. Access is granted by existing Road Use agreement and in Surface Damage Agreement (both attached). Elm Ridge agrees to comply with any La Plata County traffic control measures required for this well.
4	General Housekeeping	Rule 604.c.(2)P- Trash containers will be maintained on site. Trash will be hauled to and disposed at a commercial landfill.
5	Storm Water/Erosion Control	Wattles will be placed, where necessary, around the perimeter of the site prior to, or at the beginning of construction. The size and quantity of the wattles used will vary according to the location to insure adequate protection of drainage areas.

6	Material Handling and Spill Prevention	<p>Per Rule 604.c.(2)G.- Berms will be constructed with corrugated metal sides and will be sufficient in height and area to contain 150% of the volume of the largest single tank. Synthetic liners are being and will be used under tanks on location.</p> <p>Rule 604.c.(2)N-Any materials not in use that might constitute a fire hazard will be removed a minimum distance of twenty five feet from the wellhead, tanks and separator. No electrical equipment installations are planned inside the bermed area.</p> <p>Rule 604.c.(2)N-Any materials not in use that might constitute a fire hazard will be removed a minimum distance of twenty five feet from the willhead, tanks and separator. No electrical equipment installations are planned inside the bermed area.</p>
7	Construction	<p>Rule 604.c.(2)V.- the IGE 127 well will be located in the immediate vicinity of and partially within the footprint of the existing Olson Smith Gas Unit #2 well pad.</p> <p>Rule 604.c.(2)B.- no fresh water pits are planned.</p> <p>Rule 604.c.(2)E- The existing well access road will be used. No new disturbance is anticipated. Standard specifications for this access road include a driving surface constructed with with 6 inches of 3" minus gravel over a driving surface approximately 12 feet in width, crowned, with ditches and culverts where necessary for drainage.</p> <p>Rule 604.c.(2)M.- The tract of land where the well pad is located is perimeter fenced with a cattle guard at entrance to well access on CR 311.</p> <p>Rule 604.c.(2)V-The existing well pad for the Elm Ridge Olson-Smith #2 well is being used for this location.</p>
8	Noise mitigation	<p>Noise levels will be monoitored by operator and if exceeds acceptable levels operator agrees to install sound walls or, if necessary, provide reasonable motel accommodations for the affected party.</p> <p>Post-production: No necessity for engines or motorized equipment is anticipated. If such equipment becomes necessary, Elm Ridge will first try to electrify the location if it is practical and feassible. If not, they will orient exhaust away from the affected party and will use hospital grade mufflers, buried, in series. Elm Ridge will install sound walls if necessary</p>

9 Drilling/Completion Operations

Rule 604.c.(2)B.- A closed loop system will be used. No fresh water pits are planned. Fresh water will be stored in above ground tanks

Per Rule 604.c.(2)C.)-i.- There are producing wells within one mile of the location of the proposed IGE 127 well. It is anticipated that this will be a producing well and, if so, Elm Ridge will comply with applicable requirements under Rule 805.

ii- No uncontrolled venting is anticipated (based on 500 mcf)

iii-aa., bb. cc.- Elm Ridge will use a system capable of handling 1.5 Mmcf. Anticipated flowback is 0.5 Mmcf or less. No necessity for flaring is anticipated.

Rule 604.c.(2)H.- Elm Ridge will be using a 3M system per BLM specifications.

Rule 604.c.(2)I.- BOPE pressure testing will be performed weekly.

604.c.(2)K.- Pit level indicators will be used.

604.c.(2)L- Drill stem tests are not typically done and none are anticipated.

Rule 604.c.(2)O- Load lines will be bullplugged

Rule 604.c.(2)Q- Guy line anchors will be identified per COGCC rules and are tested before each use.

Rule 604.c.(2)S. – Existing well access road will be used and maintained for all weather use and will meet any safety requirements.

Total: 9 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400481874	FORM 2A SUBMITTED
400497125	NRCS MAP UNIT DESC
400497126	REFERENCE AREA MAP
400497127	MULTI-WELL PLAN
400497130	HYDROLOGY MAP
400506886	OTHER
400506909	OTHER
400506910	ACCESS ROAD MAP
400506911	LOCATION PICTURES
400506912	LOCATION DRAWING
400507017	SURFACE AGRMT/SURETY
400507026	SENSITIVE AREA MAP
400507743	CONST. LAYOUT DRAWINGS
400507747	WELL LOCATION PLAT
400507756	EXCEPTION LOC WAIVERS
400507758	EXCEPTION LOC REQUEST

Total Attach: 16 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
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Total: 0 comment(s)