

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:

400494658

Date Received:

11/27/2013

Oil and Gas Location Assessment

☒ New Location ☐ Refile ☐ Amend Existing Location Location#: _____

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:

436007

Expiration Date:

02/01/2017

☒ 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: 10450

Name: EE3 LLC

Address: 4410 ARAPAHOE AVENUE #100

City: BOULDER State: CO Zip: 80303

Contact Information

Name: Kimberly Rodell

Phone: (303) 942-0506

Fax: ()

email: krodell@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20130007 ☐ Gas Facility Surety ID: _____

☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Grizzly Number: 3-32H

County: JACKSON

QuarterQuarter: NENW Section: 32 Township: 8N Range: 80W Meridian: 6 Ground Elevation: 8101

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: 709 feet FNL from North or South section line

2404 feet FWL from East or West section line

Latitude: 40.627697 Longitude: -106.397825

PDOP Reading: 1.4 Date of Measurement: 09/12/2013

Instrument Operator's Name: Randall R. Miller

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 #

FACILITIES

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

Wells	1	Oil Tanks	8	Condensate Tanks		Water Tanks	2	Buried Produced Water Vaults	
Drilling Pits		Production Pits		Special Purpose Pits	1	Multi-Well Pits		Temporary Large Volume Above Ground Tanks	
Pump Jacks	2	Separators	2	Injection Pumps	2	Cavity Pumps			
Gas or Diesel Motors		Electric Motors	2	Electric Generators		Fuel Tanks		Gas Compressors	
Dehydrator Units		Vapor Recovery Unit		VOC Combustor		Flare	1	LACT Unit	
								Pigging Station	

OTHER FACILITIES

Other Facility Type

Number

Meter Run	1
Combuster Stack	1
Jet Pump	1
Test and Completions Treaters	3

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

No pipelines are anticipated at this time.

CONSTRUCTION

Date planned to commence construction: 12/31/2013 Size of disturbed area during construction in acres: 1.70

Estimated date that interim reclamation will begin: 06/30/2014 Size of location after interim reclamation in acres: 1.70

Estimated post-construction ground elevation: 8101

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: Commercial Disposal

Cutting Disposal: ONSITE Cuttings Disposal Method: Other

Other Disposal Description:

Cuttings will be remediated onsite using Eco-Sponge.

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: Grizzly Land LLC

Phone: _____

Address: P.O. Box 670

Fax: _____

Address: _____

Email: _____

City: Windsor State: CO Zip: 80550

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: oil and gas lease

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

Date of Rule 306 surface owner consultation 06/28/2013

CURRENT AND FUTURE LAND USE

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): Hay stack yard

Subdivided: ☐ Industrial ☐ Commercial ☐ Residential

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): Hay stack yard

Subdivided: ☐ Industrial ☐ Commercial ☐ Residential

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 3461 Feet
Building Unit: 3590 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 200 Feet
Above Ground Utility: 290 Feet
Railroad: 5280 Feet
Property Line: 3252 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: _____

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 be 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: RA- Randman sandy loam

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: _____

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): tan existing hay stack yard

WATER RESOURCES

Is this a sensitive area: ☐ No ☒ Yes

Distance to nearest

downgradient surface water feature: 730 Feet

water well: 3272 Feet

Estimated depth to ground water at Oil and Gas Location 44 Feet

Basis for depth to groundwater and sensitive area determination:

This area was marked sensitive due to the proximity of the wetlands. Water well permit, 29-WCB, is the closest identified water well. Depth to groundwater information was taken from water well permit 40552. There is an irrigation ditch 120' from the location with the nearest down gradient topographic surface water at 620'.

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 609

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 The Grizzly 3-32H location and well will be located on an existing hay stacking area previously constructed and improved by Grizzly Ranch. After the life of the well, EE3 or the subsequent operator, will be obligated to return the former hay stacking area to Grizzly ranch in its existing condition. There will not be any reclamation of the location. The access to the location has been previously constructed in the Colorado Department of Transportation (CDOT) Right-of-Way. EE3 has obtained the necessary permits to widen the exiting highway access from CDOT. EE3 anticipates drilling one additional well off this location. This well is identified on the plat but the Application for Permit to drill will be submitted at a later date.

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

Signed: _____ Date: 11/27/2013 Email: krodell@upstreampm.com

Print Name: Kimberly Rodell Title: Permit 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: 2/2/2014

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
	<p>A closed loop system (which operator has indicated on the Form 2A) must be implemented during drilling.</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>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>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>As required for Groundwater Baseline Sampling; Operator shall comply with Rule 609. STATEWIDE GROUNDWATER BASELINE SAMPLING AND MONITORING.</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 described in and 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.</p> <p>The access road will be constructed and maintained as to not allow any sediment to migrate from the access road to nearby surface water or any drainages leading to surface water.</p> <p>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.</p> <p>Berms or other containment devices shall be constructed to be sufficiently impervious (corrugated steel with poly liner or equivalent protection) to contain any spilled or released material around crude oil, condensate, and produced water storage tanks; or other chemical storage tanks.</p>
	<p>Rule 317.o Open hole resistivity and gamma logs shall be run to describe the stratigraphy of the entire well bore and to adequately verify the setting depth of surface casing and aquifer coverage. On a multi-well pad, these open hole logs are only required on one of the first wells drilled on the pad and the Form 5 for every well on the pad shall identify which well was logged.</p>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Wildlife	1. Use hospital grade mufflers for compressors, pump jacks, or other motors necessary to run operations at the site. Mufflers will be pointed upward to dissipate potential vibration. 2. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1.
2	Storm Water/Erosion Control	EE3 will implement a storm water and erosion plan to prevent sedimentation and erosion in the nearby wetlands.

Total: 2 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2106851	CORRESPONDENCE
2106852	PROPOSED BMPs
400494658	FORM 2A SUBMITTED
400513779	CONST. LAYOUT DRAWINGS
400513782	ACCESS ROAD MAP
400513784	HYDROLOGY MAP
400513786	LOCATION DRAWING
400513787	LOCATION PICTURES
400513788	NRCS MAP UNIT DESC

Total Attach: 9 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	1/30/2014 1:49:27 PM
OGLA	Initiated/Completed OGLA Form 2A review on 01-16-14 by Dave Kubeczko, placed notification, GW monitoring, fluid containment, sediment control access road, dust control, spill/release BMPs, tank berming, flowback to tanks, cuttings low moisture content, and access road sediment control COAs; sent email indicating COAs to operator on 01-16-14; passed by CPW on 01-02-14 with operator agreed to BMPs acceptable; passed OGLA Form 2A review on 01-30-14 by Dave Kubeczko; notification, GW monitoring, fluid containment, sediment control access road, dust control, lined pit/closed loop, stormwater BMPs, spill/release BMPs, tank berming, flowback to tanks, cuttings low moisture content, and access road sediment control COAs.	1/16/2014 1:43:09 PM
DOW	<p>Wildlife Concerns: This location is within Greater Sage-grouse sensitive wildlife habitat (SWH), although given the proximity of the proposed disturbance to Highway 14, there are no anticipated effects on nearby grouse populations or their habitat at this time.</p> <p>On January 2, 2014 the operator agreed by email to the following BMPs for this location:</p> <ol style="list-style-type: none"> 1. Use hospital grade mufflers for compressors, pump jacks, or other motors necessary to run operations at the site. Mufflers will be pointed upward to dissipate potential vibration. 2. Install and utilize bear-proof dumpsters and trash receptacles for all food-related trash on location, following COGCC Rule 1204 a-1. <p>Approved: Taylor Elm, 1/2/2014, 15:33</p>	1/2/2014 3:33:39 PM
Permit	Corrected Surface right to construct as per opr.	12/16/2013 1:11:03 PM
Permit	This form was deleted for unknown reasons and pulled back to upload today. Removed the surface bond from the right to construct as per opr. Form passes completeness.	12/13/2013 9:08:15 AM

Total: 5 comment(s)