

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:

400484457

Date Received:

10/08/2013

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:

436543

Expiration Date:

03/25/2017

☒ 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: 47120
Name: KERR-MCGEE OIL & GAS ONSHORE LP
Address: P O BOX 173779
City: DENVER State: CO Zip: 80217-3779

Contact Information

Name: Cheryl Light
Phone: (720) 929-6461
Fax: (720) 929-7461
email: cheryl.light@anadarko.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20010124 ☐ Gas Facility Surety ID: _____
☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: GEE Number: 15C-25HZ
County: WELD
QuarterQuarter: NWNE Section: 24 Township: 2N Range: 67W Meridian: 6 Ground Elevation: 4859
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: 742 feet FNL from North or South section line
1525 feet FEL from East or West section line
Latitude: 40.128683 Longitude: -104.835384
PDOP Reading: 2.3 Date of Measurement: 06/17/2013
Instrument Operator's Name: OWEN MCKEE

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

400484954

FACILITIES

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

| | | | | | | | | | |
|----------------------|---|---------------------|--|----------------------|--|-----------------|--|---|--|
| Wells | 5 | Oil Tanks | | Condensate Tanks | | Water Tanks | | Buried Produced Water Vaults | |
| Drilling Pits | | Production Pits | | Special Purpose Pits | | Multi-Well Pits | | Temporary Large Volume Above Ground Tanks | |
| Pump Jacks | 5 | Separators | | 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

| | |
|-------------------------|---|
| OIL PIPELINE | 1 |
| Temporary 500 bbl tanks | 2 |
| GAS PIPELINE | 1 |

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

Buried pipelines will be utilized to gather the gas and oil product from the location (1 gas pipeline, 1 oil pipeline). Both gas and oil pipelines will be constructed from steel of suitable wall thickness and material grade to meet the respective gathering systems design pressure. Gas pipelines will range in diameter from 4" to 20"; oil pipelines from 4" to 12". Capacity of pipelines will vary based on diameter. Pipelines will begin at the location and terminate at larger trunk lines in the area. Temporary above ground polyethylene water pipelines (diameter 10" – 12" with a 60 BPM capacity) will deliver water to location operations from larger trunk lines.

Two 500 barrel skid mounted frac tanks will be temporarily placed on-site for use of the pre-spud rig only. One tank will store water and the other will store water based mud.

CONSTRUCTION

Date planned to commence construction: 01/19/2014

Size of disturbed area during construction in acres: 10.00

Estimated date that interim reclamation will begin: 04/30/2014

Size of location after interim reclamation in acres: 0.10

Estimated post-construction ground elevation: 4859

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? Yes

DRILLING WASTE MANAGEMENT PROGRAM

Drilling Fluids Disposal: OFFSITE

Drilling Fluids Disposal Method: Recycle/reuse

Cutting Disposal: OFFSITE

Cuttings Disposal Method: Other

Other Disposal Description:

Please see comments section. Disposal description will not fit in space provided.

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: _____ or Document Number: _____

Centralized E&P Waste Management Facility ID, if applicable: 149021

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: William E. Gee Trust

Phone: 303-857-9337

Address: 8995 CR 25

Fax: _____

Address: _____

Email: _____

City: Ft. Lupton State: CO Zip: 80621

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 06/10/2013

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): _____

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): _____

Subdivided: ☐ Industrial ☐ Commercial ☐ Residential

CULTURAL DISTANCE INFORMATION

Distance to nearest:

Building: 990 Feet
Building Unit: 990 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 1537 Feet
Above Ground Utility: 273 Feet
Railroad: 5280 Feet
Property Line: 255 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: 12/17/2013

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 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: 3 AQUOLLS AND AQUENTS, GRAVELLY SUBSTRATUM

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): _____

WATER RESOURCES

Is this a sensitive area: ☐ No ☒ Yes

Distance to nearest

downgradient surface water feature: 250 Feet

water well: 1126 Feet

Estimated depth to ground water at Oil and Gas Location 14 Feet

Basis for depth to groundwater and sensitive area determination:

Basis for depth to groundwater: Identified water well (Permit # 224180) located approximately 1126' NW of the oil and gas location. Depth to groundwater at water well is 6' and the water well is at an elevation of approximately 4851'. Sensitive area determination: One or more water wells within this and surrounding qtr-qtrs has a depth to groundwater less than or equal to 20'.

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 318A

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

Other disposal description:

Drilling fluids disposal: KMG will reuse oil-based drilling fluids to maximum extent at which point they will be returned to the fluids manufacturer for re-conditioning or disposal at a licensed, commercial disposal site.

Cuttings disposal: Water based cuttings will be used to drill the curve of the well. If the surface owner authorizes, and if it is feasible for this location at the time of drilling, water-based cuttings will be disposed of onsite using bioremediation/solidification product.

If the surface owner does not authorize onsite disposal and/or it is not feasible for this location at the time of drilling, water-based cuttings will be disposed of using a Centralized E&P Waste Management facility or a private spread field. Oil based cuttings will be used to drill the lateral of the well. They will be disposed of offsite and at a licensed, commercial disposal site.

Community Outreach and Notification: Met with Mrs. Floss and husband on 02/06/14. We discussed hay bales and mag chloride for noise, light and dust mitigation. They are going to think about the hay bales as they are not sure they want them blocking their view for an extended amount of time.

We did discuss the possibility of accessing through the existing oil and gas access that runs diagonal at the top of Mary's property and constructing a new permanent access on the Floss's property. I will continue to vet this option with the Floss's, but this will take a minimum of 1-2 weeks. We would need to execute a permanent access agreement. They were very understanding of our operations and we have discussed their concerns and provided options for mitigation.

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

Signed: _____

Date: 10/08/2013

Email: DJRegulatory@anadarko.com

Print Name: Lauren Kucera

Title: Regulatory Analyst II

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: 3/26/2014

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

| | |
|--|--|
| | |
|--|--|

Best Management Practices

No BMP/COA Type

Description

| | | |
|---|----------------------|--|
| 1 | Planning | 604c.(2).E. Multiwell Pads: In an effort to reduce surface impact, this 2A application is for a five-well pad. |
| 2 | Planning | 604c.(2).Q. Guy Line Anchors: Should guy line anchors be left buried for future use, they shall be identified by a bright marker greater than four (4) feet high and no more than one (1) foot east of the guy line anchor. |
| 3 | Planning | 604c.(2).S. Access Roads: KMG will utilize a lease access road from CR25 for drilling operations and maintenance equipment. This access route is contingent upon an agreement with City of Thornton. An alternative access road is also planned off of CR25. Both access routes are illustrated on the attached access road map. The road will be properly constructed and maintained to accommodate for local emergency vehicle access. |
| 4 | Planning | 604c.(2).V. Development From Existing Well Pads: Drilling from an existing well pad was not feasible for the development of these wells; however, this well pad will be considered for future well locations. |
| 5 | Traffic control | 604c.(2).D. Traffic Plan: If required by the local government, a traffic plan will be coordinated with the local jurisdiction prior to commencement of operations. Weld County Road 25 is paved and maintained by Weld County and will therefore not require dust mitigation. |
| 6 | General Housekeeping | 604c.(2).O. Loadlines: All loadlines shall be bullplugged or capped. |

| | | |
|----|--|--|
| 7 | General Housekeeping | 604c.(2).P. Removal of Surface Trash: A commercial size trash bin for removing debris will be located on site. This bin will be for use by all parties affiliated with the operation. |
| 8 | Storm Water/Erosion Control | 604c.(2).W. Site-specific Measures: KMG maintains a Stormwater Management Plan that assesses erosion control for every KMG operated location. This well pad will be added to this plan once construction begins. This plan is updated every fourteen (14) days and after any major weather event. The ditches on this oil and gas location will be backfilled during construction. These ditches were used strictly for irrigation for the surface owner's farming operation. |
| 9 | Material Handling and Spill Prevention | 604c.(2).N. Control of Fire Hazards: KMG and its contractors will employ best management practices during the drilling and production of its wells and facilities and will comply with appropriate COGCC rules concerning safety and fire. KMG will ensure that any material that might be deemed a fire hazard will remain no less than twenty-five (25) feet from the wellhead(s), tanks and separator(s). |
| 10 | Construction | 604c.(2).M. Fencing Requirements: The completed wellsites will be surrounded with a fence and gate with adequate lock to restrict access to authorized personnel only. KMG personnel will monitor the wellsites regularly upon completion of the wells. Authorized representatives and/or KMG personnel shall be on-site during drilling and completion operations. |
| 11 | Construction | 604c.(2).R. Tank Specifications: Two 500 barrel skid mounted frac tanks will be temporarily placed on-site for use of the pre-spud rig only. One tank will store water and the other will store water based mud. |
| 12 | Construction | 604c.(2).G. Berm Construction: Kerr McGee will create secondary containment by construction of a berm or diversion dike, site grading, or other comparable measures, sufficient to further protect the irrigation ditch located 250' north of the oil and gas location. |
| 13 | Noise mitigation | 604c.(2).A. Noise: Pending a safety review after construction of the location, sound mitigation barriers (hay bales) will be placed along the eastern and northeastern sides of the pad location to damper noise during drilling and completions to the nearby building units. Sound surveys that have been conducted on each rig type are utilized to anticipate any additional noise mitigation once a drilling rig is determined. |
| 14 | Drilling/Completion Operations | 604c.(2).B. Closed Loop Drilling System: KMG will use a closed loop or "pitless" system for drilling and fluid management and will not construct a reserve pit. |
| 15 | Drilling/Completion Operations | 604c.(2).H. BOPE: Our rigs at a minimum will have a double ram with blind and pipe ram; and annular preventer. |
| 16 | Drilling/Completion Operations | 604c.(2).I. BOPE Testing for Drilling Operations: Upon initial rig-up, BOPE's will be tested at a minimum of every 30 days. |
| 17 | Drilling/Completion Operations | 604c.(2).J. BOPE for Well Servicing Operations: Blowout prevention equipment will be used on any servicing operations associated with this well. Backup stabbing valves will be used during any future servicing operations during reverse circulation. Valves shall be pressure tested before each well servicing operation using low-pressure air and high-pressure fluid. |
| 18 | Drilling/Completion Operations | 604c.(2).K. Pit Level Indicators: All mud tanks (used in lieu of pits) contain pit level monitors with Electronic Drilling Recorders (EDR). KMG uses EDRs with pit level monitor(s) and alarm(s) for production rigs. Basic level gages are used on tanks utilized for the surface rig. |
| 19 | Drilling/Completion Operations | 604c.(2).L. Drill Stem Tests: No drill stem tests are planned and none will be performed without prior approval from the director. |
| 20 | Final Reclamation | 604c.(2).T. Well Site Cleared: The wellsite will be cleared of all non-essential equipment within ninety (90) days after all wells associated with the pad have been plugged and abandoned. |
| 21 | Final Reclamation | 604c.(2).U. Identification of Plugged and Abandoned Wells: Pursuant to rule 319.a.(5)., once the well has been plugged and abandoned, KMG will identify the location of the wellbore with a permanent monument that will detail the well name and date of plugging. |

Total: 21 comment(s)

Attachment Check List

| <u>Att Doc Num</u> | <u>Name</u> |
|--------------------|-------------------------|
| 1696129 | OTHER |
| 2086850 | FACILITY LAYOUT DRAWING |
| 400484457 | FORM 2A SUBMITTED |
| 400484494 | SURFACE AGRMT/SURETY |
| 400484495 | NRCS MAP UNIT DESC |
| 400484496 | LOCATION PICTURES |
| 400484498 | ACCESS ROAD MAP |
| 400484501 | WELL LOCATION PLAT |
| 400484502 | WASTE MANAGEMENT PLAN |
| 400484616 | LOCATION DRAWING |
| 400485660 | HYDROLOGY MAP |
| 400485662 | MULTI-WELL PLAN |
| 400491363 | HYDROLOGY MAP |

Total Attach: 13 Files

General Comments

| <u>User Group</u> | <u>Comment</u> | <u>Comment Date</u> |
|-------------------|--|--------------------------|
| Permit | Final Review Completed. No LGD or public comment received. | 3/25/2014 1:13:16 PM |
| Permit | Received and attached 305.a certification letter. Changed distance to nearest Building Unit from 940' to 990' per operator. ok to pass. | 3/25/2014 1:12:11 PM |
| OGLA | Uploaded new Facility Layout Drawing, revised noise BMP and changed distance to nearest BU as provided by KM. | 3/7/2014 4:05:47 PM |
| OGLA | Requesting change to nearest Building Unit to 940 feet, need Facility Layout Drawing (pump jacks), noise BMP additional clarification. | 3/6/2014 1:52:42 PM |
| Permit | Per operator added Community Outreach comment. | 2/7/2014 10:31:07 AM |
| Permit | Per operator an additional Building Unit owner was discovered. A Notice of Intent to Conduct Operations was sent 12/10/2013. ON HOLD: for 30 days. | 12/30/2013 9:30:15 AM |
| OGLA | Noise BMP is planned to be installed on the Gee 16N-25HZ pad. | 12/11/2013 2:12:59 PM |
| OGLA | Requesting clarification of noise BMP. | 11/12/2013 9:25:52 AM |
| Permit | ok to pass. | 10/9/2013 10:51:44 AM |
| Permit | Passed completeness. | 10/9/2013 5:03:06 AM |

Total: 10 comment(s)