

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:

400521474

Date Received:

12/06/2013

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:

436829

Expiration Date:

04/19/2017

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: Lauren Kucera

Phone: (720) 929-6107

Fax: (720) 929-7107

email: lauren.kucera@anadarko.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20010124 Gas Facility Surety ID: _____

Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: TROUDT

Number: 14N-33HZ

County: WELD

Quarter: SESW Section: 33 Township: 2N Range: 67W Meridian: 6 Ground Elevation: 5037

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: 305 feet FSL from North or South section line

1590 feet FWL from East or West section line

Latitude: 40.088399 Longitude: -104.899644

PDOP Reading: 2.2 Date of Measurement: 07/10/2013

Instrument Operator's Name: ROB WILSON

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

 400517580

FACILITIES

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

Wells	<u>6</u>	Oil Tanks	<u> </u>	Condensate Tanks	<u> </u>	Water Tanks	<u> </u>	Buried Produced Water Vaults	<u> </u>
Drilling Pits	<u> </u>	Production Pits	<u> </u>	Special Purpose Pits	<u> </u>	Multi-Well Pits	<u> </u>	Temporary Large Volume Above Ground Tanks	<u> </u>
Pump Jacks	<u>6</u>	Separators	<u> </u>	Injection Pumps	<u> </u>	Cavity Pumps	<u> </u>		
Gas or Diesel Motors	<u> </u>	Electric Motors	<u> </u>	Electric Generators	<u> </u>	Fuel Tanks	<u> </u>	Gas Compressors	<u> </u>
Dehydrator Units	<u> </u>	Vapor Recovery Unit	<u> </u>	VOC Combustor	<u> </u>	Flare	<u> </u>	LACT Unit	<u> </u>
								Pigging Station	<u> </u>

OTHER FACILITIES

Other Facility Type

Number

Other Facility Type	Number
Flow lines	18
Temporary 500 bbl tanks	2

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

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.
Please see comments section for flow line description.

CONSTRUCTION

Date planned to commence construction: 04/10/2014 Size of disturbed area during construction in acres: 10.00

Estimated date that interim reclamation will begin: 07/10/2014 Size of location after interim reclamation in acres: 0.50

Estimated post-construction ground elevation: 5037

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: 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: Johnson Farms LLP

Phone: 303-776-6195

Address: 16 Sunset Circle Drive

Fax: _____

Address: _____

Email: _____

City: Longmont State: CO Zip: 80501

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 03/25/2013

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: 908 Feet
Building Unit: 1016 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 307 Feet
Above Ground Utility: 280 Feet
Railroad: 5280 Feet
Property Line: 280 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: 09/17/2013

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 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: 47 OLNEY FINE SANDY LOAM, 1 TO 3 PERCENT SLOPES

NRCS Map Unit Name: 82 WILEY-COLBY COMPLEX, 1 TO 3 PERCENT SLOPES

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: 325 Feet

water well: 1577 Feet

Estimated depth to ground water at Oil and Gas Location 177 Feet

Basis for depth to groundwater and sensitive area determination:

Sensitive area determination: Surface water feature less than 1000' from location.

Basis for depth to groundwater: Identified water well (Permit # 142829) located approximately 3585' east of the proposed oil and gas location. Depth to groundwater at water well is 135' and the water well is at an elevation of approximately 4995'.

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

Flow Lines: Six flow lines will flow to the production facility location. During production, flow direction in the flow lines is from the well head to the production facility. The size of flow lines is typically 2". Flow lines are constructed from steel pipe, are buried, and vary in length generally equaling the distance between the well heads and the tank battery (typically ranging from 75' to 3500" feet).

Six fuel gas supply lines will also be installed from the well head to the production facility. During operation flow direction in the supply lines will be from the production facility to the well head. The size of the supply lines is typically 1". Supply lines are constructed from poly or steel pipe, buried, and vary in length generally equaling the distance between the well heads and the tank battery (typically ranging from 75' to 3500" feet).

Gas lift lines are also occasionally installed (one per well) from the well head to the production facility. During operation flow direction in the gas lift lines will be from the production facility to the well head. The size of the gas lift lines is typically 2". Gas lift lines are constructed from steel pipe, buried, and vary in length generally equaling the distance between the well heads and the tank battery (typically ranging from 75' to 3500').

Disposal Description:
 Drilling fluids disposal: KMG will reuse water-based drilling fluids to the maximum extent at which point they will either be land applied or taken to a licensed, commercial disposal site; decided upon based off of laboratory analysis of fluids.
 Cuttings disposal: 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.

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

Signed: _____ Date: 12/06/2013 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: 4/20/2014

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.

<u>COA Type</u>	<u>Description</u>
	Per documents submitted, Operator will not dispose cuttings onsite.

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	604c.(2).E. Multiwell Pads: In order to reduce surface impact, this 2A application is for a six-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).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.
4	Planning	604c.(2).S. Access Roads: KMG will utilize a lease access road from Weld County Road 14 for drilling operations and maintenance equipment. The road will be properly constructed and maintained to accommodate for local emergency vehicle access. Water will be placed on dirt access roads to mitigate dust. Magnesium chloride will be used as needed on access roads to further abate dust.
5	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.

6	Planning	<p>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.</p> <p>Community Outreach and Notification: Kerr-McGee hosted a neighborhood meeting on October 29th, 2013. KMG representatives answered questions related to the project and have communicated answers to follow-up questions after the meeting. Property owners were assured they could contact KMG representatives throughout the construction process.</p> <p>A building unit owner located 926' from the nearest well on this oil and gas location attended the neighborhood meeting mentioned above and expressed concerns about noise, light, dust and access routes related to activities on this pad. KMG committed to the following mitigation measures to reduce the potential impacts on this owner:</p> <p>Noise: Hay bales will be placed along the southern and western edges of the pad location to damper noise and visual impacts to the building unit. Noise mitigation measures are not feasible on the property of the building unit owner due to proximity of the building unit to WCR 14.</p> <p>Light: All lights on site will be downcast toward our operations area and wells only.</p> <p>Dust: Magnesium chloride will be applied to roads as needed to suppress dust. Roads will also be bladed and improved as necessary.</p> <p>Access: All haul routes related to the project will utilize Weld County Road 14 and will come off of Weld County Road 17.</p>
7	Traffic control	604c.(2).D. Traffic Plan: 604c.(2).D. Traffic Plan: A traffic plan will be coordinated with the Town of Fredrick prior to commencement of operations.
8	General Housekeeping	604c.(2).O. Loadlines: All loadlines shall be bullplugged or capped.
9	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.
10	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).
11	Construction	604c.(2).G. Berm Construction: Kerr McGee will create tertiary containment by construction of a berm or diversion dike, site grading, or other comparable measures, sufficient to further protect the ditch located 325' south of the oil and gas location.
12	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.
13	Noise mitigation	604c.(2).A. Noise: Sound mitigation barriers (hay bales) will be placed along the southern and western sides of the pad location to damper noise during drilling and completions to the nearby residence and to Weld County Road 14. 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, BOPEs 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 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>
1642161	CORRESPONDENCE
2086277	FACILITY LAYOUT DRAWING
2086835	CORRESPONDENCE
2086836	LOCATION DRAWING
400521474	FORM 2A SUBMITTED
400521856	NRCS MAP UNIT DESC
400521857	SURFACE AGRMT/SURETY
400521858	ACCESS ROAD MAP
400521859	LOCATION PICTURES
400521865	HYDROLOGY MAP
400521867	WELL LOCATION PLAT
400521868	MULTI-WELL PLAN
400521869	WASTE MANAGEMENT PLAN
400522020	FACILITY LAYOUT DRAWING
400522060	OTHER

Total Attach: 15 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. Public comment addressed (see correspondence); no LGD comment received.	4/14/2014 8:35:27 AM
OGLA	Uploaded Facility Layout Drawing as provided by KM.	2/14/2014 11:15:55 AM
OGLA	Uploaded new Location Drawing and KM response to public comment. KM has requested that this Form remain ON HOLD while they work with the Town of Frederick.	1/23/2014 10:25:28 AM
OGLA	Uploaded Temporary Above Ground Tank drawing as provided by the Operator. Interim reclamation issue still being clarified.	1/6/2014 2:17:01 PM
OGLA	Placed "ON HOLD" pending KM review of public comment received through Nancy Prince. (see attached correspondence doc #1642161).	12/31/2013 3:36:42 PM
Permit	The Certification of Compliance with Rule 305.a is under other. ok to pass.	12/13/2013 11:14:49 AM
Permit	Passed completeness.	12/10/2013 8:31:50 AM

Total: 7 comment(s)