

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:

400566886

Date Received:

03/14/2014

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:

437664

Expiration Date:

06/20/2017

☒ 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: 10492

Name: AGAVE OIL & GAS LLC

Address: 512 MAIN STREET #600

City: FORT WORTH State: TX Zip: 76102

Contact Information

Name: Andrea Gross

Phone: (303) 942-0506

Fax: ()

email: agross@upstreampm.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20140025

☐ Gas Facility Surety ID: _____

☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Herrick

Number: 1-8

County: ELBERT

QuarterQuarter: SESE Section: 8 Township: 9S Range: 62W Meridian: 6 Ground Elevation: 6100

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: 871 feet FSL from North or South section line

833 feet FEL from East or West section line

Latitude: 39.276260 Longitude: -104.350010

PDOP Reading: 1.1 Date of Measurement: 02/04/2014

Instrument Operator's Name: Rob Daley

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	<u>1</u>	Oil Tanks	<u>4</u>	Condensate Tanks	<u> </u>	Water Tanks	<u>2</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> </u>	Separators	<u>1</u>	Injection Pumps	<u> </u>	Cavity Pumps	<u> </u>		
Gas or Diesel Motors	<u> </u>	Electric Motors	<u> </u>	Electric Generators	<u>1</u>	Fuel Tanks	<u>2</u>	Gas Compressors	<u> </u>
Dehydrator Units	<u> </u>	Vapor Recovery Unit	<u> </u>	VOC Combustor	<u> </u>	Flare	<u>1</u>	LACT Unit	<u> </u>
								Pigging Station	<u> </u>

OTHER FACILITIES

Other Facility Type

Number

Meter

1

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

Agave does not foresee any pipeline installation until the wells have been drilled, tested, completed and if any production volumes exist, the facilities will be engineered on the pressures and volumes determined by the well. As, this is a rank wildcat well, Agave will utilize tanks to hold all oil and water which will be collected transported via truck. Any gas will be flared under Colorado air quality regulations.

Additional Info:

Lines from wellhead to separator/treater will probably be 2" Schedule 40 steel epoxy coated. Lines from separator/treater: oil dumplines will be 3" SDR-11 polypipe, water dumplines will be 2" SDR-11 poly. All lines will be buried 48" deep.

CONSTRUCTION

Date planned to commence construction: 05/01/2014 Size of disturbed area during construction in acres: 3.30

Estimated date that interim reclamation will begin: 11/01/2014 Size of location after interim reclamation in acres: 1.10

Estimated post-construction ground elevation: 6099

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: OFFSITE

Cuttings Disposal Method: Commercial Disposal

Other Disposal Description:

Drilling fluids will be disposed of at a commercial landfarming facility.

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: Steve Herrick

Phone: 303-621-2191

Address: 28425 Freese Road

Fax: _____

Address: _____

Email: _____

City: Calhan State: CO Zip: 80808

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 01/14/2014

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: 1245 Feet
Building Unit: 1245 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 268 Feet
Above Ground Utility: 658 Feet
Railroad: 5280 Feet
Property Line: 833 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: 5-Bresser sandy loam, 0 to 4 percent slopes

NRCS Map Unit Name: 30-Kutch clay loam, 4 to 8 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: Prairie sandreed, Blue grama, Sideoats grama, Little bluestem, Needleandthread, Prairie junegrass, Western wheatgrass, Sand dropseed, Sand bluestem, Prairie sagewort, Fendler threeawn, Sedge, Green needlegrass, Rubber rabbitbrush, Fourwing saltbrush

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: 830 Feet

water well: 1450 Feet

Estimated depth to ground water at Oil and Gas Location 560 Feet

Basis for depth to groundwater and sensitive area determination:

Nearest water well is water well permit 170832. Depth to groundwater was determined from water well permit 57981-F which is located in Sec. 6 T9S R62W. The location was marked sensitive due to proximity of surface water and the location lies in the Kiowa Bijou designated water basin.

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 reference map and reference area photos will be taken during the growing season and will be submitted within the required 12 month period from the date this permit is submitted. Elbert County will apply BMPs as conditions of approval to the Elbert County Oil and Gas Permit. Agave is working with Elbert County through the Memorandum of Understanding process which is running concurrently with the state permit.
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I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: _____ Date: 03/14/2014 Email: agross@upstreampm.com

Print Name: Andrea Gross 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: 6/21/2014

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>

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Storm Water/Erosion Control	Agave will implement a stormwater and erosion plan to prevent sedimentation and erosion.

Total: 1 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
400566886	FORM 2A SUBMITTED
400567602	CONST. LAYOUT DRAWINGS
400567603	HYDROLOGY MAP
400567606	LOCATION DRAWING
400572281	ACCESS ROAD MAP
400572282	LOCATION PICTURES
400572283	NRCS MAP UNIT DESC

Total Attach: 7 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review completed; no LGD or public comment received.	6/19/2014 6:01:18 AM
OGLA	Changed Drilling Fluids Disposal to OFFSITE and Commercial Disposal based on June 18, 2014 telephone conversation with Operator. Added "Drilling fluids will be disposed of at a commercial landfarming facility" to Other Disposal Description based on June 18, 2014 telephone conversation with Operator.	6/18/2014 2:54:54 PM
OGLA	Changed distance to the Nearest Building to 1245 feet to be consistent with the distance to the Nearest Building Unit.	6/13/2014 2:31:42 PM
OGLA	We will need the Land Application Plan.	6/13/2014 2:28:09 PM
OGLA	Added: Agave does not foresee any pipeline installation until the wells have been drilled, tested, completed and if any production volumes exist, the facilities will be engineered on the pressures and volumes determined by the well. As, this is a rank wildcat well, Agave will utilize tanks to hold all oil and water which will be collected transported via truck. Any gas will be flared under Colorado air quality regulations. Additional Info: Lines from wellhead to separator/treater will probably be 2" Schedule 40 steel epoxy coated. Lines from separator/treater: oil dumplines will be 3" SDR-11 polypipe, water dumplines will be 2" SDR-11 poly. All lines will be buried 48" deep." To the Pipeline Section.	6/13/2014 2:27:38 PM
Permit	This form has passed completeness.	3/17/2014 7:49:48 AM

Total: 6 comment(s)