

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:

400597280

Date Received:

05/29/2014

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:

437930

Expiration Date:

07/01/2017

☒ 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: 100185

Name: ENCANA OIL & GAS (USA) INC

Address: 370 17TH ST STE 1700

City: DENVER State: CO Zip: 80202-5632

Contact Information

Name: Erin Lind

Phone: (720) 876-5827

Fax: ()

email: erin.lind@encana.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20100017 ☐ Gas Facility Surety ID: _____

☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Newnam Number: 32H-C264

County: WELD

QuarterQuarter: NENW Section: 32 Township: 2N Range: 64W Meridian: 6 Ground Elevation: 4954

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: 308 feet FNL from North or South section line

1598 feet FWL from East or West section line

Latitude: 40.101467 Longitude: -104.578526

PDOP Reading: 1.2 Date of Measurement: 03/14/2014

Instrument Operator's Name: CHRIS BETTENCOURT

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>12</u>	Oil Tanks	<u>24</u>	Condensate Tanks	<u> </u>	Water Tanks	<u>6</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>13</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>8</u>	VOC Combustor	<u>13</u>	Flare	<u> </u>	LACT Unit	<u> </u>
								Pigging Station	<u> </u>

OTHER FACILITIES

Other Facility Type

Number

Vapor Recovery Tower	<u>1</u>
Meter House	<u>1</u>

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

The flow lines will run from the wellheads directly west to the production facility equipment.

CONSTRUCTION

Date planned to commence construction: 06/20/2015 Size of disturbed area during construction in acres: 12.50
Estimated date that interim reclamation will begin: 06/01/2016 Size of location after interim reclamation in acres: 5.50
Estimated post-construction ground elevation: 4954

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: Land application

Cutting Disposal: OFFSITE Cuttings Disposal Method: Centralized E&P WMF

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: Marion Newnam

Phone: 303-536-4367

Address: 25844 County Road 16

Fax: _____

Address: _____

Email: _____

City: Keensburg State: CO Zip: 80643

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 10/28/2013

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): _____

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: 786 Feet
Building Unit: 987 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 249 Feet
Above Ground Utility: 287 Feet
Railroad: 2100 Feet
Property Line: 260 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: 03/25/2014

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: Map Symbol 15: Colby loam, 1 to 3 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: _____

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: 1515 Feet

water well: 1372 Feet

Estimated depth to ground water at Oil and Gas Location 20 Feet

Basis for depth to groundwater and sensitive area determination:

Based on Division Water Resources data and an internal analysis of the surrounding area, the depth to shallow groundwater was estimated to be approximately 20 feet.

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

The surrounding building unit owners within 1000' were notified more than 30 days prior to the submittal of this application. No requests for meetings with the Operator were received from any of those building unit owners. The Newnam 32H-C264 proposed location will be directly west of our planned Ruhl 32H-B264, which will be submitted later this year. There are also an additional two wells that we plan on permitting for this location later in the year. Due to mineral interest owner negotiations, we are unable to submit the other two wells at this time but they were included on all of our attached documents with this application.

A temporary completions area approximately 4 acres will be utilized for this location but will be built on our planned Ruhl 32H-B264, which is in the quarter-quarter section directly east of this location. It will have up to 3 fresh water storage tanks to be used during completions operations. This area will be completely reclaimed.

The cultural setback distances listed on this application were taken from the following reference points:

Building - from the Newnam 3L-32H C264
 Building Unit - from the Newnam 3L-32H C264
 High Occupancy Building Unit - all wells on the pad (same distance)
 Designated Outside Activity Area - all wells on the pad (same distance)
 Public Road - from the center of the proposed facilities
 Above Ground Utility - from the center of the proposed facilities
 Railroad - from the center of the proposed facilities
 Property Line - from the center of the proposed facilities

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

Signed: _____ Date: 05/29/2014 Email: erin.lind@encana.com

Print Name: Erin Lind Title: Regulatory Analyst

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: 7/2/2014

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**

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Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1	Planning	Encana will identify plugged and abandoned wellbores according to Rule 319.a.(5). including the location of the wellbore with a permanent monument as specified in Rule 319.a.(5). Encana will also inscribe or imbed the well number and date of plugging upon the permanent monument.
2	Pre-Construction	Prior to construction, Encana will write a "Risk Assessment Needs Determination" document to analyze the site for any other potential mitigation measures that might be needed.
3	Traffic control	Encana will obtain the necessary access and overweight permits through Weld County for this location.
4	General Housekeeping	Any material not in use that might constitute a fire hazard will be removed a minimum of twenty-five (25) feet from the wellhead, tanks and separator. Any electrical equipment installations inside the bermed area will comply with API RP 500 classifications and comply with the current national electrical code as adopted by the State of Colorado.
5	General Housekeeping	All surface trash, debris, scrap or discarded material connected with the operations of the property shall be removed from the premises or disposed of in a legal manner.

6	General Housekeeping	The well site will be cleared of all non-essential equipment, trash and debris after ninety days of a well P&A.
7	Material Handling and Spill Prevention	<ul style="list-style-type: none"> • Annual hydrostatic test on the oil dump line from the separator to the tank battery. • Annual hydrostatic “static” tests on our oil tanks. • Annual hydrostatic “static” tests on our produced water tank and water dump line from the separator to the produced water tank. • Lease Operator inspections of all equipment not to exceed 48 hours. • Monthly documented inspections (EU). • Annual environmental inspections of all battery and well equipment and pads. • Annual UT inspections of the pressure vessels and input into Encana's RIPL Predictive Integrity Maintenance Program. (HLP separators and fuel gas separators)"
8	Material Handling and Spill Prevention	Well effluent containing more than ten (10) barrels per day of condensate or within two (2) hours after first encountering hydrocarbon gas of salable quality will be directed to a combination of sand traps, separators, surge vessels, and tanks as needed to ensure safe separation of sand, hydrocarbon liquids, water, and gas and to ensure salable products are efficiently recovered for sale or conserved and that non-salable products are disposed of in a safe and environmentally responsible manner.
9	Dust control	We will apply mag/chloride to the county road in heavily traveled areas. In addition, we will use water trucks as needed.
10	Construction	The pad will be constructed in such a manner that noise mitigation may be installed and removed without disturbing the site or landscaping.
11	Construction	Subject pad will have all weather access roads to allow for operator and emergency response.
12	Construction	Encana utilizes 24" tall corrugated galvanized metal berm walls with a capacity in excess of 150% of the largest tank contained within the wall. In addition, Encana best practices mandates the use of impervious liners that extends under each storage tank and up the walls, permanently affixed to the top of the metal berm wall. Protrusions of piping that come through the liner include a fully sealed “boot” to prevent leakage.
13	Construction	Encana will install fencing to restrict access to wellheads and equipment.
14	Construction	At the time of construction, all leasehold roads will be constructed to accommodate local emergency vehicle access requirements, and will be maintained in a reasonable condition.
15	Noise mitigation	Encana will perform a baseline noise survey prior to any operational activity measuring dBA at a distance 350 feet from the noise source (unless there is an occupied structure closer than that – then measurement will be taken 25 feet from the structure). If low frequency noise is a concern, measurement of dBC will be taken 25 feet from the occupied structure towards the noise source. As necessary, based on the survey, Encana will install temporary sound walls to minimize noise and light impacts during drilling and completions and will install permanent noise mitigation at the facility location as necessary to meet all COGCC regulations.
16	Noise mitigation	The subject location will be constructed to allow potential future noise mitigation installation without disturbance.
17	Emissions mitigation	Flow lines, separators, and sand traps capable of supporting green completions as described in Rule 805 will be installed on subject location at which commercial quantities of gas are reasonably expected to be produced based on existing adjacent wells within 1 mile. Temporary flowback flaring and oxidizing equipment will include: adequately sized equipment to handle 1.5 times the largest flowback volume of gas experienced in a ten mile radius. If there is overrun, Encana will shut in the well versus freely venting.

18	Drilling/Completion Operations	Guy line anchors in the DJ Basin are not installed. Encana will use an engineered base beam that we guy wire anchor the derricks to.
19	Drilling/Completion Operations	All newly installed or replaced crude oil and condensate storage tanks will be designed, constructed, and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). Encana will maintain written records verifying proper design, construction, and maintenance, and will make these records available for inspection by the Director. In addition, onsite inspections are conducted internally to insure guidelines are met.
20	Drilling/Completion Operations	Encana will utilize a closed-loop system for drilling operations at this location.
21	Drilling/Completion Operations	Encana will not utilize pits.
22	Drilling/Completion Operations	Encana will employ a rig without kelly that has double ram with blind and pipe ram and an annular preventer. At least one person at the well site during drilling operations will have Mineral Management certification or Director approved training for blowout prevention.
23	Drilling/Completion Operations	Upon initial rig-up and at least once every thirty (30) days during drilling operations thereafter, pressure testing of the casing string and each component of the blowout prevention equipment including flange connections will be performed to seventy percent (70%) of working pressure or seventy percent (70%) of the internal yield of casing, whichever is less. Pressure testing will be conducted and the documented results will be retained by the operator for inspection by the Director for a period of one (1) year. Activation of the pipe rams for function testing will be conducted on a daily basis when practicable.
24	Drilling/Completion Operations	Adequate blowout prevention equipment will be used on all well servicing operations.
25	Drilling/Completion Operations	Backup stabbing valves will be used on well servicing operations during reverse circulation. Valves will be pressure tested before each well servicing operation using both low-pressure air and high-pressure fluid.

Total: 25 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
2086889	FACILITY LAYOUT DRAWING
400597280	FORM 2A SUBMITTED
400602180	LOCATION DRAWING
400602186	LOCATION PICTURES
400602189	LOCATION PICTURES
400602197	NRCS MAP UNIT DESC
400602201	ACCESS ROAD MAP
400602204	MULTI-WELL PLAN
400602207	WASTE MANAGEMENT PLAN
400607105	HYDROLOGY MAP
400607107	OTHER

Total Attach: 11 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	7/2/2014 8:53:42 AM
Permit	The Certification of Compliance with Rule 305.a is under other. ok to pass.	6/25/2014 3:58:55 PM
OGLA	Added dust mitigation BMP, pipeline description and new Facility Layout Drawing. Review completed 6/24/2014.	6/24/2014 1:50:12 PM
OGLA	Requesting corrected Facility Layout Drawing, dust BMP, pipeline description.	6/16/2014 11:52:27 AM
Permit	Passed completeness. Facility Layout Drawing attached.	6/2/2014 11:51:52 AM
Permit	Return to draft. In buffer zone, but missing Facility Layout Drawing attachment.	5/29/2014 4:00:59 PM

Total: 6 comment(s)