

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:

400631499

Date Received:

06/25/2014

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:

438262

Expiration Date:

07/24/2017

☒ 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: 10459

Name: EXTRACTION OIL & GAS LLC

Address: 1888 SHERMAN ST #200

City: DENVER State: CO Zip: 80203

Contact Information

Name: Jennifer Grosshans

Phone: (303) 928-7128

Fax: (303) 218-5678

email: regulatory@petro-fs.com

RECLAMATION FINANCIAL ASSURANCE

☒ Plugging and Abandonment Bond Surety ID: 20130028 ☐ Gas Facility Surety ID: _____

☐ Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Nelson Farm Number: 28-A Pad

County: WELD

QuarterQuarter: NWNW Section: 28 Township: 7N Range: 67W Meridian: 6 Ground Elevation: 4969

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: 844 feet FNL from North or South section line

409 feet FWL from East or West section line

Latitude: 40.550224 Longitude: -104.906395

PDOP Reading: 1.7 Date of Measurement: 04/25/2014

Instrument Operator's Name: Alan Hnizdo

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

400631497

FACILITIES

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

Wells	12	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		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

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

3" Schedule 80 steel pipe from wellhead to separators, 1 line per well.

CONSTRUCTION

Date planned to commence construction: 08/01/2014

Size of disturbed area during construction in acres: 4.63

Estimated date that interim reclamation will begin: 02/01/2015

Size of location after interim reclamation in acres: 2.31

Estimated post-construction ground elevation: 4969

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: Other

Other Disposal Description:

CUTtings will be disposed of by land spreading.

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: George A. Nelson Farm Inc

Phone:

Address: 8088 County Road 78

Fax: _____

Address: _____

Email: _____

City: Fort Collins State: CO Zip: 80524

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 _____

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: 578 Feet
Building Unit: 601 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 390 Feet
Above Ground Utility: 340 Feet
Railroad: 5280 Feet
Property Line: 390 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: 05/13/2014

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: 32 - Kim Loam 1 to 3 percent slopes

NRCS Map Unit Name: 33 - Kim Loam 3 to 5 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: 442 Feet

water well: 758 Feet

Estimated depth to ground water at Oil and Gas Location 39 Feet

Basis for depth to groundwater and sensitive area determination:

Downgradient surface water feature is a canal.
The nearest water well is CDWR #246095.

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

Extraction Oil & Gas proposes to drill 12 horizontal wells on the Nelson Farm 28-A Pad located in the NWNW of Section 28, Township 7 North, Range 67 West in Weld County, Colorado.

Letter to Director for COGCC Rule 303b.(3)J.iii. Building Unit Owner Pre-Application Notification receipts, attached as Correspondence.

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

Signed: _____

Date: 06/25/2014

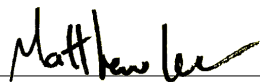
Email: regulatory@petro-fs.com

Print Name: Jennifer Grosshans

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: 7/25/2014

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

	Operator shall provide notice to COGCC 48 hours prior to commencing construction of this Oil and Gas Location via Form 42.
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Best Management Practices

No BMP/COA Type

Description

1	Planning	When feasible develop multiple well sites by using directional drilling to reduce cumulative impacts and adverse impacts on wildlife resources.
2	Traffic control	Access Roads - The access road will be constructed to accommodate local emergency vehicles. This road will be maintained for access at all times. Traffic will be routed to minimize local interruption.
3	General Housekeeping	Fence the well site after drilling to restrict public and wildlife access. Keep well site location, the road, and the pipeline easement free of noxious weeds, litter and debris. Spray for noxious weeds, and implement dust control, as needed. Operator will not permit the release or discharge of any toxic or hazardous chemicals or wastes on Owner's Land. Construct and maintain gates where any roads used by operator, its employees, or contractors cross through fences on the leased premises. Visual Impact Mitigation: All long term facility structures will be painted a color that enables the facilities to blend in with the natural background color of the landscape, as seen from a viewing distance and location typically used by the public. Maintain appearance with garbage clean-up; a trash bin will be located on site to accumulate waste by the personnel drilling the wells. Site will have unused equipment, trash and junk removed immediately.
4	Storm Water/Erosion Control	Use water bars, and other measures to prevent erosion and non-source pollution. Implement and maintain BMPs to control stormwater runoff in a manner that minimizes erosion, transport of sediment offsite, and site degradation. Co-locate gas and water gathering lines whenever feasible, and mitigate any erosion problems that arise due to the construction of any pipeline(s).
5	Dust control	Traffic dust control will be done utilizing water on all County Roads leading up to the pad site.

6	Construction	<p>Remove only the minimum amount of vegetation necessary for the construction of roads and facilities. Conserve topsoil during excavation and reuse as cover on disturbed areas to facilitate regrowth of vegetation. No construction or routine maintenance activities will be performed during periods when the soil is too wet to adequately support construction equipment.</p> <p>Control of Fire Hazards: All material that is considered a fire hazard shall be a minimum of 25' from the wellhead tanks or separators. Electrical equipment shall comply with the current national electrical code.</p>
7	Noise mitigation	<p>Noise: A baseline noise survey will be performed prior to the start of drilling and completion operations. Some type of sound wall mitigation will be implemented based on the study results to insure that noise levels are maintained below the permissible level for Light Industrial Zones, as measured at the nearest Building Unit.</p>
8	Odor mitigation	<p>Odors and Dust: Operator will regulate odors in accordance with COGCC Rule 805. Fugitive dust will be controlled by speed restrictions on all neighboring roads, regular road maintenance and repair, and avoiding construction activity during high wind days. If technologically and economically feasible, additional management practices may also be required to minimize fugitive dust, as well as to control silica dust while handling sand during frac'ing operations.</p>
9	Drilling/Completion Operations	<p>A closed-loop drilling mud system will be used to preclude the use of an earthen reserve pit.</p> <p>Light Sources will likewise be directed downwards and away from occupied structures where possible. Once the drilling and completion rigs leave the site, there will be no permanently installed lighting on site.</p> <p>Prior to drilling operations, Operator may perform an anti-collision review of existing offset wells that have the potential of being within close proximity of the proposed well. This anti-collision review may include MWD or gyro surveys and surface locations of the offset wells with included error of uncertainty per survey instrument, and compared against the proposed well path with its respective error of uncertainty. If current surveys do not exist for the offset wells, Operator may have gyro surveys conducted to verify bottom hole location. The proposed well may only be drilled if the anti-collision review results indicate that the risk of collision is sufficiently low as defined by the anticollision plan, with separation factors greater than 1.5, or if the risk of collision has been mitigated through other means including shutting in wells, plugging wells, increased drilling fluid in the event of lost returns or as is appropriate for the specific situation. In the event of an increased risk of collision, that risk will be mitigated to prevent harm to people, the environment or property. For the proposed well, upon conclusion of drilling operations, an as-constructed directional survey will be submitted to the COGCC with the Form 5.</p> <p>Pursuant to COGCC 207.a. ("Policy"), operator, acknowledges and will comply with said policy for Bradenhead Monitoring during hydraulic fracturing treatments in the Greater Wattenberg Area (GWA), dated May 29, 2012.</p> <p>Blowout Preventer Equipment: A double ram and annular preventer will be used during drilling. Stabbing valves shall be installed in the event of reverse circulation and shall be prior tested with low and high pressure fluid.</p> <p>BOPE- Well servicing operations. Adequate BOP equipment shall be used.</p>
10	Final Reclamation	<p>Utilize only such area around each producing well as is reasonably necessary. Restore the remainder of the well site location to its original condition within a reasonable time after the completion of operations. All reseeding shall be done with grasses consistent with the Rocky Mountain native mix or other grasses reasonably requested by surface owner and during planting period suggested by Owner.</p>
11	Final Reclamation	<p>Well site cleared- Within 90-day subsequent to the time of plugging and abandonment of the entire site, superfluous debris and equipment shall be removed from the site.</p>

Total: 11 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1668405	CORRESPONDENCE
1668418	RULE 306.E. CERTIFICATION
400631499	FORM 2A SUBMITTED
400631940	LOCATION DRAWING
400631942	LOCATION PICTURES
400631980	ACCESS ROAD MAP
400631982	HYDROLOGY MAP
400631989	NRCS MAP UNIT DESC
400631990	NRCS MAP UNIT DESC
400631994	REFERENCE AREA MAP
400631997	REFERENCE AREA PICTURES
400632008	MULTI-WELL PLAN
400632012	WASTE MANAGEMENT PLAN
400632224	OTHER

Total Attach: 14 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final Review Completed. No LGD or public comment received.	7/25/2014 10:16:46 AM
Permit	The Certification of Compliance with Rule 305.a is under correspondence ok to pass.	7/22/2014 1:53:55 PM
OGLA	No Public Comments. Operator provided Rule 306.e. Certification. OGLA task passed.	7/18/2014 10:12:42 AM
OGLA	IN PROCESS - Operator provided pipeline description and agreed to revising the Land Use, distance to nearest Property Line, and removing unnecessary production facility BMPs. OGLA review complete. Waiting on Public Comment period.	7/8/2014 9:31:21 AM
OGLA	ON HOLD - Requested missing pipeline description, revise Land Use to Improved Pasture, revise distance to nearest Property Line, and request to remove production facility BMPs as there will be no production facilities on this location. Due by 8/7/14.	7/7/2014 11:58:58 AM
Permit	Passed completeness.	6/25/2014 4:12:32 PM

Total: 6 comment(s)