

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:

400589287

Date Received:

07/11/2014

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:

438631

Expiration Date:

08/19/2017

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: 69175

Name: PDC ENERGY INC

Address: 1775 SHERMAN STREET - STE 3000

City: DENVER State: CO Zip: 80203

Contact Information

Name: Liz Lindow

Phone: (303) 831-3974

Fax: ()

email: liz.lindow@pdce.com

RECLAMATION FINANCIAL ASSURANCE

Plugging and Abandonment Bond Surety ID: 20090078 Gas Facility Surety ID: _____

Waste Management Surety ID: _____

LOCATION IDENTIFICATION

Name: Chesnut

Number: 27G-HZ Pad

County: WELD

Quarter: SWNW Section: 27 Township: 5N Range: 64W Meridian: 6 Ground Elevation: 4619

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: 2265 feet FNL from North or South section line

437 feet FWL from East or West section line

Latitude: 40.371250 Longitude: -104.543600

PDOP Reading: 2.6 Date of Measurement: 06/17/2014

Instrument Operator's Name: Brian Rottinghaus

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 #**

Production Facilities Location serves Well(s)

400589365

FACILITIES

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

Wells	<u>4</u>	Oil Tanks	<u>12</u>	Condensate Tanks	<u> </u>	Water Tanks	<u>4</u>	Buried Produced Water Vaults	<u>2</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>4</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>2</u>	VOC Combustor	<u>2</u>	Flare	<u> </u>	LACT Unit	<u> </u>
								Pigging Station	<u> </u>

OTHER FACILITIES

Other Facility Type

Number

Other Facility Type	Number

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

Each well will have a flow line, oil production line, water production line and a backpressure line, each battery will have a gas sales line. Oil production line and flow lines are 3 inch steel SCH 80FB PE DRL. Water production line and low pressure gas vent lines are 2 inch SDR7 poly. Gas sales lines installed and maintained by Gas Purchaser, normally 6 inch steel .256 FBE

CONSTRUCTION

Date planned to commence construction: 08/20/2014 Size of disturbed area during construction in acres: 4.69
Estimated date that interim reclamation will begin: 02/02/2015 Size of location after interim reclamation in acres: 1.35
Estimated post-construction ground elevation: 4619

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: Beneficial reuse

Other Disposal Description:

Drill cuttings will be land applied at PDC spread fields with COGCC Facility ID 425112, 429629, 430649, 431183, or 434889.

Beneficial reuse or land application plan submitted? Yes

Reuse Facility ID: 425112 or Document Number:

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

SURFACE & MINERALS & RIGHT TO CONSTRUCT

Name: Kevin Chesnut Phone: 970-371-0108
 Address: 27275 CR 52 Fax: _____
 Address: _____ Email: _____
 City: Kersey State: CO Zip: 80644
 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 12/04/2013

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: 404 Feet
Building Unit: 404 Feet
High Occupancy Building Unit: 5280 Feet
Designated Outside Activity Area: 5280 Feet
Public Road: 288 Feet
Above Ground Utility: 271 Feet
Railroad: 4985 Feet
Property Line: 304 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: 07/08/2014

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 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: 69 - Valent sands 0 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: 415 Feet

water well: 550 Feet

Estimated depth to ground water at Oil and Gas Location 3 Feet

Basis for depth to groundwater and sensitive area determination:

Distance to water well measured to permit # 161427. Sensitive water determination based on depth to ground water being <20'.
Depth to ground water based on surface owner's estimate.

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 following wells will be drilled from this pad Chesnut 27G-423, 27G-203, 27K-343, and 27K-203.

Building Unit owners waived requirements per Rules 305.a., 305.c., 306.e, 604.c.(2).A-W., and the MIRU policy. Letter to Director and Waivers attached.

Other attachment is the notification zone drawing.

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

Signed: _____ Date: 07/11/2014 Email: liz.lindow@pdce.com

Print Name: Liz Lindow 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: 8/20/2014

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

Best Management Practices

<u>No</u>	<u>BMP/COA Type</u>	<u>Description</u>
1		
2	Planning	604c.(2).E. Multiwell Pads: This 2A application is for a 4-well pad. No suitable existing locations are in the area. PDC has worked with the landowners to select the proposed site. Placement of the wells and facility maximize the reclaimable and farmable ground that can be used by the landowner.
3	Planning	604c.(2).V. Development From Existing Well Pads: An existing pad was not available to utilize to develop these wells.
4	Planning	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.
5	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.
6	General Housekeeping	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.
7	Storm Water/Erosion Control	Stormwater Management Plan contains required elements associated with PDC's construction activities for Areas 1, 2, 3, and 5, as defined in the CDPS General Permit for Stormwater Discharges Associated with Construction Activity, Authorization to Discharge Under the Colorado Discharge Permit System (Permit No. COR-030000, re-issued and effective July 1, 2007).BMPs for sediment and erosion control will be accomplished through a combination of construction techniques, vegetation and re-vegetation, administrative controls, and structural features.
8	Material Handling and Spill Prevention	To prevent adverse impacts to shallow groundwater, buried produced water vault shall be installed above an impermeable synthetic or geosynthetic liner system which shall be tied back into the surface liner.
9	Material Handling and Spill Prevention	604c.(2).F. Leak Detection Plan: See attached.
10	Construction	604c.(2).G. Berm Construction: A geosynthetic liner will be laid under the tanks on this location and a metal containment will be constructed.
11	Construction	604c.(2).S. Access Roads: PDC will utilize the lease access road off of CR 55 for drilling operations and maintenance equipment. The lease access road will be properly constructed and maintained to accommodate for local emergency vehicle access.
12	Construction	604.c.(2).W. Site Specific Measures: PDC will comply with the visual impact rules set forth in Rule 804, and odors and dust rules set forth in Rule 805.b(1)-(c). Building Unit owner has waived any further measures.

13	Construction	604c.(2).K. Pit Level Indicators: PDC uses an Electronic Drilling Recorder (EDR) with pit level monitor(s) and alarm(s) for production rigs. Basic level gages are used on steel pits utilized for the surface rig.
14	Construction	604c.(2).M. Fencing Requirements: The completed wellsites will be surrounded with a fence and gate. PDC personnel will monitor the wellsites regularly upon completion of the wells. Authorized representatives and/or PDC personnel shall be on-site during drilling and completion operations.
15	Construction	604c.(2).N. Control of Fire Hazards: PDC 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. PDC will ensure that any material that might be deemed a fire hazard will be will remain no less than twenty-five (25) feet from the wellhead(s), tanks and separator(s).
16	Construction	604c.(2).O. Loadlines: All loadlines shall be bullplugged or capped.
17	Construction	604c.(2).R. Tank Specifications: Condensate storage tanks will be designed, constructed and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). PDC will maintain written records to verify proper design, construction and maintenance. All records will be available for inspection by the Director.
18	Construction	604c.(2).U. Identification of Plugged and Abandoned Wells: Pursuant to rule 319.a. (5)., once the well has been plugged and abandoned, PDC will identify the location of the wellbore with a permanent monument that will detail the well name and date of plugging.
19	Noise mitigation	604c.(2).A. Noise: PDC will comply with the noise rules set forth in Rule 802. Building Unit owner has waived any further measures
20	Emissions mitigation	604c.(2).C. Green Completions: PDC will install Vapor Recovery Unit(s) (VRU's) to prevent uncontrolled venting of flash gas. Environmental Control Devices (ECD) will be used to control working and breathing vapor losses for oil and water tanks. Produced oil and gas will be piped off of location to minimize air pollution.
21	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.
22	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 lowpressure air and high-pressure fluid.
23	Drilling/Completion Operations	604c.(2).L. Drill Stem Tests: No drill stem tests will be performed without prior approval from the director
24	Drilling/Completion Operations	604c.(2).Q. Guy Line Anchors: Rig guy wires are anchored to the rig's base beam that the rig stands on, temporary and permanent anchors will not be set on this location.

Total: 24 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1668467	FACILITY LAYOUT DRAWING
1668468	CORRESPONDENCE
400589287	FORM 2A SUBMITTED
400641385	ACCESS ROAD MAP
400641387	HYDROLOGY MAP
400641388	LOCATION DRAWING
400641389	LOCATION PICTURES
400641390	MULTI-WELL PLAN
400641392	NRCS MAP UNIT DESC
400641393	OTHER
400641395	WAIVERS
400642269	RULE 306.E. WAIVER
400643269	REFERENCE AREA MAP
400643273	REFERENCE AREA PICTURES
400643368	WASTE MANAGEMENT PLAN

Total Attach: 15 Files

General Comments

<u>User Group</u>	<u>Comment</u>	<u>Comment Date</u>
Permit	Final review complete.	8/19/2014 11:39:01 AM
OGLA	IN PROCESS - Operator agreed to suggested changes and provided Facility Layout Drawing and applicable mitigation Measure BMPs. Building Unit Owner waived all notices, 306.e. meetings, and mitigation measures. No Public Comments. OGLA task passed.	8/14/2014 1:28:23 PM
OGLA	Update the Related Remote Locations, clarify the differing Land Use among the adjacent locations, check the Exception Zone box, provide missing Facility Layout Drawing, and provide missing mitigation measure BMPs. Due by 9/4/14.	3/4/2014 1:55:46 PM
OGLA	ON HOLD - Requested clarification on the "partially abandoned and uninhabited home within the Exception Zone. Also, Rule 604.c. Mitigation Measure cannot be waived. This 2A was submitted with no 604.c. mitigation measure BMPs.	7/24/2014 11:55:12 AM
Permit	Passed completeness.	7/11/2014 2:27:22 PM
Permit	Return to draft as per operator's request.	7/11/2014 12:15:53 PM

Total: 6 comment(s)