

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:

400703293

0

Date Received:

11/03/2014

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:

440427

Expiration Date:

12/14/2017

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: Cheryl Light
Phone: (720) 929-6461
Fax: (720) 929-7461
email: cheryl.light@anadarko.com

RECLAMATION FINANCIAL ASSURANCE

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

LOCATION IDENTIFICATION

Name: HUNZIKER Number: 27C-4HZ
County: WELD
Quarter: SWSE Section: 28 Township: 2N Range: 67W Meridian: 6 Ground Elevation: 5050

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: 433 feet FSL from North or South section line
1638 feet FEL from East or West section line

Latitude: 40.103229 Longitude: -104.892120

PDOP Reading: 1.6 Date of Measurement: 08/04/2014

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 #**

Production Facilities Location serves Well(s)

331962

319196

FACILITIES

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

Wells	12	Oil Tanks*		Condensate Tanks*	1	Water Tanks*	3	Buried Produced Water Vaults*	
Drilling Pits		Production Pits*		Special Purpose Pits		Multi-Well Pits*		Modular Large Volume Tanks	
Pump Jacks	12	Separators*	18	Injection Pumps*		Cavity Pumps*		Gas Compressors*	
Gas or Diesel Motors*		Electric Motors		Electric Generators*		Fuel Tanks*		LACT Unit*	2
Dehydrator Units*		Vapor Recovery Unit*	4	VOC Combustor*	1	Flare*		Pigging Station*	

OTHER FACILITIES*

Other Facility Type

Number

Meters	2
GAS PIPELINE	3
OIL PIPELINE	1
TEMPORARY 500 BBL TANKS	2
Methanol tank and pump	1
FLOW LINES	40

Those facilities indicated by an asterisk () shall be used to determine the distance from the Production Facility to the nearest cultural feature on the Cultural Setbacks Tab.

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. Description of pipelines and flow lines does not fit in space provided.

CONSTRUCTION

Date planned to commence construction: 12/15/2014 Size of disturbed area during construction in acres: 10.00

Estimated date that interim reclamation will begin: 08/31/2015 Size of location after interim reclamation in acres: 2.50

Estimated post-construction ground elevation: 5050

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: ONSITE 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: BUD AND JOYCE HUNZIKER Phone: 303.833.2228

Address: 7037 CR 19 Fax: _____

Address: _____ Email: _____

City: FT. LUPTON State: CO Zip: 80621

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 08/11/2014

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

Provide the distance to the nearest cultural feature as measured from Wells or Production Facilities onsite.

	From WELL	From PRODUCTION FACILITY
Building:	612 Feet	494 Feet
Building Unit:	807 Feet	604 Feet
High Occupancy Building Unit:	5280 Feet	5280 Feet
Designated Outside Activity Area:	5280 Feet	5280 Feet
Public Road:	433 Feet	36 Feet
Above Ground Utility:	410 Feet	16 Feet
Railroad:	5280 Feet	5280 Feet
Property Line:	267 Feet	36 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.
- For measurement purposes only, Production Facilities should only include those items with an asterisk(*) on the Facilities Tab.

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: 09/10/2014

FOR MULTI-WELL PADS AND PRODUCTION FACILITIES WITHIN DESIGNATED SETBACK LOCATIONS ONLY:

Check this box if this Oil and Gas Location has or will have Production Facilities that serve multiple wells (on or offsite) and the Production Facilities are proposed to be located less than 1,000 feet from a Building Unit. *(Pursuant to Rule 604.c.(2)E.i., the operator must evaluate alternative locations for the Production Facilities that are farther from the Building Unit, and determine whether those alternative locations were technically feasible and economically practicable for the same proposed development.)*

By checking this box, I certify that no alternative placements for the Production Facilities, farther from the nearest Building Unit, were available based on the analysis conducted pursuant to Rule 604.c.(2)E.i.

In the space below, explain rationale for siting the multi-well Production Facility(ies) that supports your Rule 604.c.(2)E.i determination. Attach documentation that supports your determination to this Form 2A.

Reasoning for the location of the new production facility:

- The surface owner requested to locate the Kerr-McGee facility in close proximity to the existing KPK facility (located west of new facility) in order to consolidate the oil and gas footprint on the property
- The surface owner farms this property and requested the facility be located as near as possible to CR 16 and the existing access road on the property in order to reduce constraints on the current farming operation
- The surface owner requested the new production facility be located in close proximity to CR 16 to reduce the amount of truck traffic driving through his property
- The surface owner requested the proposed horizontal wells and new production facility be located in close proximity to each other in order to reduce the oil and gas footprint and reduce the amount of ground impacted by flow lines and access road routes
- There is an existing KPK gathering line located on the property that impacted the orientation

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: 40 NUNN LOAM, 1 TO 3 PERCENT SLOPES

NRCS Map Unit Name: 47 OLNEY FINE SANDY LOAM, 1 TO 3 PERCENT SLOPES

NRCS Map Unit Name: 76 VONA SANDY LOAM, 1 TO 3 PERCENT SLOPES

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: 431 Feet

water well: 1408 Feet

Estimated depth to ground water at Oil and Gas Location 25 Feet

Basis for depth to groundwater and sensitive area determination:

Basis for depth to groundwater: Identified water well (Permit # 42862) located approximately 1408' SE of the proposed oil and gas location. Depth to groundwater at water well is 20' and the water well is at an elevation of approximately 5045'.

Nearest surface water features:

Ditch: 431' S Elev: 5053'

Ditch: 1091' SE Elev: 5051'

Wetland: 1631' SW Elev: 5058'

Loc Elev: 5050.0'

Nearest water wells:

1408' SE, Permit 42862, depth 40', Static Water Level 20', Elev 5045'

Sensitive area determination: SENSITIVE AREA. Surface water feature within 1000'

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	<p>OTHER DISPOSAL DESCRIPTION: Drilling fluids disposal: KMG will reuse water-based drilling fluids to the maximum extent possible, at which point they will either be land applied or taken to a licensed, commercial disposal site; the decision will be based upon laboratory analysis of fluids. Cuttings disposal: The surface owner has agreed to disposal of water-based cuttings onsite using bioremediation/solidification product.</p> <p>PIPELINE AND FLOW LINE DESCRIPTION: Pipelines: Buried pipelines will be utilized to gather the gas and oil product from the location (3 gas pipelines, 1 oil pipeline). Both gas and oil pipelines will be constructed from steel of suitable wall thickness and material grade to meet the respective gathering systems design pressure. Gas pipelines will range in diameter from 4" to 20"; oil pipelines from 4" to 12". Capacity of pipelines will vary based on diameter. Pipelines will begin at the location and terminate at larger trunk lines in the area. Temporary above ground polyethylene water pipelines (diameter 10" – 12" with a 60 BPM capacity) will deliver water to location operations from larger trunk lines. Fourteen 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 will be constructed from steel pipe, buried, and will equal the distance between the well heads and the tank battery, approximately 1100' (to location #319196) and 2500' (to location #331962). Fourteen 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 will be constructed from poly or steel pipe, buried, and will equal the distance between the well heads and the tank battery, approximately 1100' (to location #319196) and 2500' (to location #331962). 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 will be constructed from steel pipe, buried, and will equal the distance between the well heads and the tank battery, approximately 1100' (to location #319196) and 2500' (to location #331962).</p>
----------	---

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

Signed: _____ Date: 11/03/2014 Email: djregulatory@anadarko.com

Print Name: Ronett Powers 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: 12/15/2014

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.
--	--

Best Management Practices

No BMP/COA Type

Description

1	Planning	604c.(2).E. Multiwell Pads: In order to reduce surface impact, this application is for a twelve-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: A geosynthetic liner will be laid under the tanks on this location and a metal containment will be constructed. Storage tanks will be designed, constructed and maintained in accordance with National Fire Protection Association (NFPA) Code 30 (2008 version). KMG will maintain written records to verify proper design, construction and maintenance. All records will be available for inspection by the Director.
4	Planning	604c.(2).S. Access Roads: KMG will utilize a lease access road from County Road 16 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 as needed. If feasible, magnesium chloride will also 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 the wells on this proposed oil and gas location; however, this well pad will be considered for future well locations.
6	Traffic control	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.
7	General Housekeeping	604c.(2).O. Loadlines: All loadlines shall be bullplugged or capped.
8	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.
9	Storm Water/Erosion Control	604c.(2).W. Site-Specific Measures: KMG maintains a Storm Water Management Plan that assesses erosion control for every KMG operated location. This location will be added to this plan once construction begins. This site will be inspected every fourteen (14) days during construction activities, every thirty (30) days after construction is completed, and after any major weather event.
10	Material Handling and Spill Prevention	604c.(2).F. Leak Detection Plan: Automation technology will be utilized at this facility. This technology includes the use of fluid level monitoring for the tanks and produced water sumps, high-level shut offs, and electronic sensors to monitor the interstitial space of double-walled produced water sumps. All automation is monitored by Kerr-McGee's Integrated Operations Center (IOC), which is manned 24 hours per day, 7 days per week.
11	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).
12	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. Berms or other secondary containment devices will be constructed around crude oil, condensate, and produced water storage tanks and shall enclose an area sufficient to contain and provide secondary containment for 150% of the largest single tank.

13	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 431' S of the proposed oil and gas location.
14	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.
15	Noise mitigation	604c.(2).A. Noise: Sound surveys that have been conducted on each rig type are utilized to anticipate any additional noise mitigation once a drilling rig is determined.
16	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.
17	Drilling/Completion Operations	604c.(2).C. Green Completions: KMG will install Vapor Recovery Unit(s) (VRU) to prevent uncontrolled venting of flash gas. Environmental Control Devices or Volatile Organic Compound Combustors (VOC) will be used to control working and breathing vapor losses for oil and water tanks. Temporary above ground polyethylene water pipelines will deliver water to location operations from larger trunk lines to reduce truck traffic and minimize air pollution.
18	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.
19	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.
20	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.
21	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 gauges are used on tanks utilized for the surface rig.
22	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.
23	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.
24	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: 24 comment(s)

Attachment Check List

<u>Att Doc Num</u>	<u>Name</u>
1668619	RULE 306.E. CERTIFICATION
400703293	FORM 2A SUBMITTED
400715071	LOCATION DRAWING
400715072	WELL LOCATION PLAT
400715073	LOCATION PICTURES
400715076	MULTI-WELL PLAN
400715078	HYDROLOGY MAP
400715080	NRCS MAP UNIT DESC
400715081	SURFACE AGRMT/SURETY
400715083	WASTE MANAGEMENT PLAN
400717559	OTHER
400717845	ACCESS ROAD MAP
400722971	FACILITY LAYOUT DRAWING
400722979	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.	12/12/2014 2:15:46 PM
OGLA	OGLA review is complete. No public comments received. OGLA task passed.	12/3/2014 9:34:50 AM
OGLA	Confirmed with operator that maintenance tank and condensate tank are the same. Added Methanol tank and pump and meter buildings under other on facilities list. Confirmed that cuttings will be onsite based off agreement with surface owner.	12/3/2014 9:31:40 AM
Permit	Verified with operator that right to construct is oil and gas lease. SUA still attached. Permitting Review Completed.	11/13/2014 8:44:10 AM
Permit	Passed Completeness	11/12/2014 8:22:50 AM
OGLA	Passed Buffer Zone Completeness review	11/11/2014 7:31:09 AM
Permit	Within Buffer zone, sent to OGLA for further review.	11/4/2014 7:49:33 AM

Total: 7 comment(s)